

# 2001–2002 ANNUAL REPORT OF THE COMMISSIONER OF INSURANCE

for the State of Louisiana Fiscal Year Ending June 30, 2002

Data compiled from Department of Insurance records and annual statements of insurers transacting business in the state of Louisiana during the fiscal year ending June 30, 2002.

## LOUISIANA DEPARTMENT OF INSURANCE



[www.ldi.la.gov](http://www.ldi.la.gov)



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The Honorable M. J. "Mike" Foster, Jr., Governor  
The Honorable John J. Hainkel, Jr., President of the State Senate  
The Honorable Charles W. "Charlie" DeWitt, Speaker of the  
State House of Representatives  
Louisiana State Senators and Representatives  
Citizens of the State of Louisiana

Pursuant to LA R.S. 36§682, LA R.S. 22§1219 and LA R.S. 22§1921, the Louisiana Department of Insurance, respectfully submits its *2001-2002 Annual Report* covering the fiscal year beginning July 1, 2001, and ending June 30, 2002.

The purpose of this report is to disseminate information pertaining to the operations of the Louisiana Department of Insurance as required by state law. Also, I think you will find the *Annual Report* an excellent reference resource as to the extensive duties and responsibilities of regulating the business of insurance to service and to protect the citizens of Louisiana.

If you need assistance from my office at any time or have any questions about the affairs of the Louisiana Department of Insurance, I will be happy to respond.

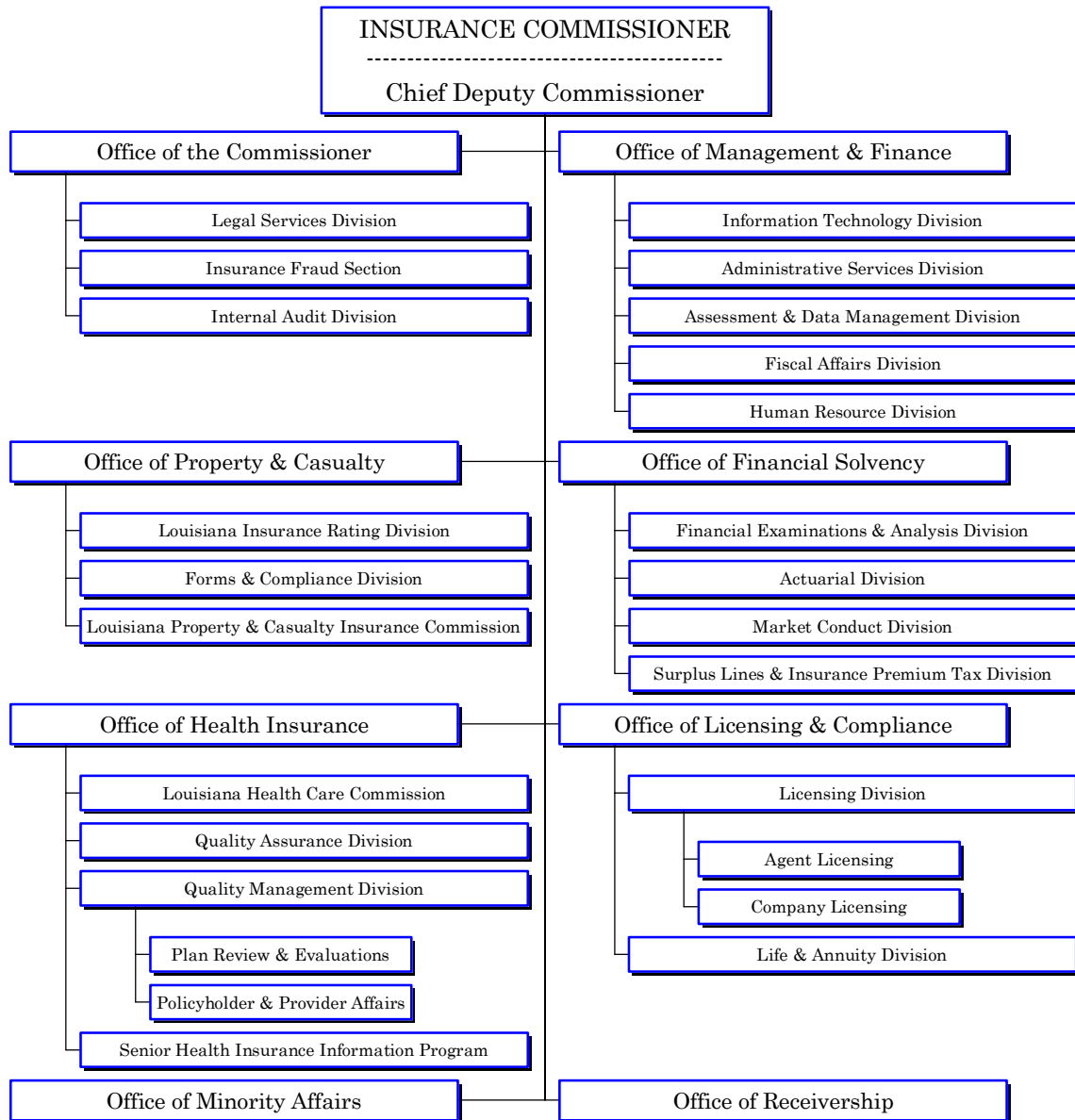
Sincerely,

J. Robert Wooley  
Acting Commissioner of Insurance

## DEPARTMENT OF INSURANCE MISSION STATEMENT

*The mission of the Department of Insurance is to enforce the insurance laws and regulations of the State impartially, honestly and expeditiously. To this end, the highest ethical, professional and work quality standards will be exercised in all formal and informal relationships with individuals, agencies and companies affected by the policies and actions of the Department. It is the Department's commitment to be the best insurance regulatory agency in the United States.*

## Organizational Chart



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2001-2002 ANNUAL REPORT

OF THE  
COMMISSIONER OF INSURANCE

OFFICE OF THE COMMISSIONER



# OFFICE OF THE COMMISSIONER

## DIVISION OF LEGAL SERVICES

### GENERAL RESPONSIBILITIES

The Division of Legal Services in the Department of Insurance was created by LSA-R.S. 36§689 and is under the direction of the Executive Counsel. The Division of Legal Services, in the Office of the Commissioner, serves as legal counsel and enforcement arm of the Department of Insurance. Its function includes interpreting laws, regulations and directives; preparing and monitoring legislation; representing the Insurance Department in litigation before federal and state courts; enforcing insurance regulatory law in administrative hearings; and reviewing policy forms. It also serves as liaison between the department and other government departments, agencies and commissions, insurance companies, producers and consumers. Consumer protection and health issues were the two major concerns of the Legal Services Division during the 2001-2002 fiscal year.

### ADMINISTRATIVE HEARING LITIGATION REPORT

In FY 01/02, the Litigation Report of the Division of Legal Services tracked approximately one hundred fifty-three (153) entries relating to legal representation of the Department of Insurance in its enforcement and regulatory capacity. Each attorney works closely with different Insurance Department offices/divisions, for example, revoking certificates of authority; citing companies for failure to meet statutory deposits and failure to file reports timely to the Office of Financial Solvency; representing the Licensing Division in mergers and acquisitions; misappropriations; misrepresentations and failure to pay taxes, fines or assessments. See Table 1 for details.

**TABLE 1**

TYPES OF LEGAL ISSUES IN FY 01/02 ADMINISTRATIVE HEARINGS	
Failure to File Department Reports Timely	34
Bail Bond Forfeitures	57
Failure to Meet Statutory Deposit Requirements	2
Misappropriations	7
Unlicensed/Unauthorized Agents or Companies	9
Failure to Pay Taxes, Fines or Assessments	9
Revoking Certificate of Authority	3
Misrepresentations	2
Other	30

## FINES COLLECTED

Staff attorneys serve as prosecutors and fine collectors for law violations in the legal issues hearings listed above. In FY 01/02, the Division of Legal Services assisted the Commissioner of Insurance in collecting \$204,275 in fines.

In addition to its regular legal duties, the Insurance Department is mandated by R.S. 22§658(1) to assist the district attorneys in collection of bail bond forfeitures without additional budgetary support. Department attorneys prosecuted twenty-six (26) bail bond forfeiture hearings in FY 01/02.

## FY 01/02 RULES, REGULATIONS, DIRECTIVES & OPINIONS

In addition to administrative hearings, other key responsibilities center on legislation, regulatory policies and opinions. Lists of regulations and directives promulgated in FY 01/02 follow:

### A. FY 01/02 RULES, REGULATIONS & DIRECTIVES ISSUED

Rule 9 -- Prelicensing Requirements  
Issued December 20, 2001

Rule 10 -- Continuing Education for Insurance Producers  
Issued March 20, 2002 (Amended)

Regulation 77 -- Medical Necessity Review Determinations  
Issued April 20, 2002

Directive No. 157 -- Pharmacy Fees  
Issued August 10, 2001

Directive No. 158 -- Exclusions  
Issued October 9, 2001

Directive No. 159 -- Notification of Changes Affecting Qualifications for a License in Louisiana  
Issued October 24, 2001

Directive No. 161 -- Stop-Loss/Excess Policies of Insurance  
Issued October 22, 2001

Directive No. 162 -- Rating Requirements for Medical Savings Accounts  
Issued November 30, 2001

Directive No. 167 -- Coverage of Mental Health Services  
Issued March 1, 2002

A. FY 01/02 RULES, REGULATIONS & DIRECTIVES ISSUED...

Directive No. 168 -- Notification of Changes Affecting Policy Form Filing Fees  
Issued May 14, 2002

Directive No. 169 -- Notification of Changes Affecting Approval of Forms  
Issued May 16, 2002

Rescission of Directive No. 133 -- Employee Retirement Income Security Act  
Issued April 24, 2002

B. FY 01/02 POLICY OPINIONS/LEGAL OPINIONS/ADVICE

Attorneys in the Division of Legal Services are frequently asked to provide formal and informal legal opinions for the public, the insurance industry, other regulators and department personnel. In FY 01/02, twenty-one (21) formal opinions and/or legal advice were issued on the following subjects:

LA No. 01-08 -- Functional Replacement (Fire)  
Issued July 23, 2001

LA No. 01-09 -- Corporate Lenders Licensing Requirements  
Issued September 21, 2001

LA No. 01-12 -- Legal Requirements Regarding Running of Notice of Meetings  
of LIRC in *The Advocate* (Baton Rouge)  
Issued August 28, 2001

LA No. 01-13 -- Western Southern Life Assurance  
Issued September 21, 2001

LA No. 01-15 -- Med Com  
Issued November 12, 2001

LA No. 01-17 -- License Tax  
Issued November 10, 2001

LA No. 01-20 -- Golden Rule Insurance Company  
Issued November 19, 2001

LA No. 01-21 -- Producer Licensing Marketing Act  
Issued November 8, 2001

LA 01-22 -- Marketing Fee Paid to Touro Infirmary  
Issued November 1, 2001

**B. FY 01/02 POLICY OPINIONS/LEGAL OPINIONS/ADVICE...**

LA No. 01-24 -- Title 22§1405.A  
Issued December 12, 2001

LA No. 01-26 -- Teachers Insurance and Annuity Association  
Issued November 10, 2001

LA 01-27 -- Workers' Compensation  
Issued January 17, 2002

LA No. 01-28 -- Photo ID License Cards  
Issued July 23, 2001

LA No. 02-01 -- Verizon Wireless  
Issued February 14, 2002

LA No. 02-02 -- SIF Required to be Licensed as TPA  
Issued March 1, 2002

LA No. 02-03 -- Employers Mutual Casualty Company  
Issued April 18, 2002

LA No. 02-05 -- Life Investors Insurance Company  
Issued May 28, 2002

LA No. 02-06 -- Louisiana Insurance Guaranty Association  
Issued April 23, 2002

LA No. 02-10 -- Can a Company Use a Trade Name -- "Inc."  
Issued June 14, 2002

LA No. 02-11 -- Sugar Cane Health Care Trust  
Issued March 4, 2002

LA No. 02-12 -- Continental Casualty Company  
Issued June 19, 2002

**C. FY 01/02 BULLETINS**

Bulletin No. 01-01 -- Viatical Settlements and License Requirements  
Issued July 20, 2001

Bulletin No. 01-02 -- Continuing Education Requirements  
Issued October 20, 2001

C. FY 01/02 BULLETINS...

Bulletin No. 01-03 -- Workers' Compensation Programs  
Issued September 20, 2001

Bulletin No. 01-04 -- Executive Order Blocking Property and Prohibiting Transactions  
with Persons Who Permit, Threaten to Commit or Support Terrorism  
Issued October 20, 2001

Bulletin No. 01-05 -- Economic Only Uninsured/Underinsured Motorists Coverage  
Issued October 20, 2001

Bulletin No. 01-06 -- Sale of Unauthorized Accident & Health Insurance  
Plans in the State of Louisiana  
Issued December 26, 2001

Bulletin No. 02-01 -- Policy Form Filing Requirements and New Directives Affecting  
Property & Casualty and Health Insurance  
Issued May 17, 2001

## INSURANCE FRAUD SECTION

### PURPOSE

The Insurance Fraud Section examines and investigates all forms of suspected insurance fraud located at least partially in the state. Investigators work closely with the various Insurance Department offices and divisions, as well as, the Insurance Fraud Units of the State Police, the Attorney General's Office, local and federal law enforcement officers, prosecutors, insurance company personnel, insurance agencies and the general public in its mission to reduce fraud in our state. Emphasis is placed on:

- ◆ Investigating suspected fraudulent claim reports and working closely with the respective law enforcement agencies and prosecutors' offices for the successful prosecution of individuals involved in fraudulent activities.
- ◆ Investigating insurance producers and companies who are suspected of engaging in fraudulent practices and working with the respective law enforcement agencies and prosecutors' offices for the successful prosecution of individuals involved in fraudulent activities.
- ◆ Working with the Legal Division to take administrative action in conjunction with the criminal investigation and subsequent prosecution of individuals involved in fraudulent activities.
- ◆ Performing background investigations on companies, individuals and other entities seeking to conduct the business of insurance in Louisiana.

In 1999, legislation was passed that created an assessment on insurance company premiums to provide funding in order to combat insurance fraud. The use of these funds was designated for the creation of the fraud unit within the Office of the State Police and for additional assistance to the existing Insurance Fraud Sections within the Department of Insurance and the Department of Justice. The fraud units of the three agencies work closely as a task force, each playing a vital part in the process, from preliminary investigation and criminal referral to arrest and prosecution. The three fraud units' combined strength provides greater ability for success than was previously possible in the detection and successful prosecution of insurance fraud related activities.

Any law enforcement authority may investigate insurance fraud, but the majority of cases are channeled through the State Police Insurance Investigation Unit. When the local authorities elect to pursue insurance fraud cases, the Department of Insurance Fraud Section works with them, lending their experience and expertise, while also acting as an informal liaison between the local law enforcement and the State Police Insurance Fraud Investigation Unit.

Similarly, local authorities may prosecute cases of insurance fraud, but often lack the resources or expertise. In such cases, they may defer to or request assistance from the Attorney General's Insurance Fraud Support Unit.

## CLAIMS FRAUD

During FY 01/02, the Insurance Fraud Section's database of suspected fraudulent claims contained over three thousand five hundred (3,500) entries. The majority of these claims were received from insurance companies in accordance with L.R.S. 22§1245. During this fiscal year, an additional eight hundred thirty-six (836) reports of suspected fraudulent claims were received.

The database is vital to the operations of the Insurance Fraud Section because it provides the ability to determine patterns of numerous suspicious claims made by an individual to different insurance companies which may involve specific medical providers, attorneys, claimants and/or personnel inside insurance companies participating in large, complex schemes.

Exaggerated loss statements are typically the most reported suspected fraudulent claims. Exaggerated loss statements are initiated from various types of insurance and include:

- ◆ Claiming items that were burglarized or destroyed in a home, but were never actually in the home or were not in fact stolen or destroyed.
- ◆ Claiming damage to a vehicle from an automobile accident when the damage actually occurred prior to the accident during another incident.
- ◆ Claiming greater and more prolonged severity of physical injury than actually occurred.

Other examples of suspected fraudulent claims include staged accidents (i.e., planned incidents that are made to appear to be, and are claimed by the participants to be, "accidents" involving some type of loss), provider fraud and medical/healthcare fraud. The additional staff provided by the fraud assessment has enabled the Insurance Fraud Section to initiate and conduct preliminary investigations of suspected fraudulent claim reports. After a review of the report and a preliminary investigation involving multiple databases and information obtained from the insurance companies, other agencies and their producers, individuals involved in the claim and other resources, it may be determined that a criminal referral should be made to the State Police Insurance Fraud Investigation Unit.

In FY 01/02, the Insurance Fraud Section made fifty-eight (58) criminal referrals involving claims fraud to the Louisiana State Police Insurance Fraud Investigation Unit.

Louisiana law (L.R.S. 22§1245 and 40§1424) requires the reporting of all cases of suspected fraudulent claims to the Department of Insurance Fraud Section. The Suspected Fraudulent Claim Report form is now available on-line to allow expanded communications to the general public, to allow anonymous reporting if desired while increasing efficiency and public awareness of the Louisiana Department of Insurance Fraud Section.

## PRODUCER & COMPANY FRAUD

Investigations of producers and companies may involve misrepresentation; misappropriation of funds belonging to the policyholder, premium finance company or insurer; unlicensed and/or unauthorized entities; and fraudulent insurance identification cards or certificates of insurance.

The single greatest producer fraud activity continues to be the misappropriation of funds from a policyholder. Because the funds are never submitted to an insurance company or premium finance company, counterfeit insurance identification cards and certificates of insurance are also involved.

Continuing efforts are being made with respect to investigations of Multiple Employer Welfare Arrangements (MEWAs). MEWAs are unauthorized/illegal health insurance operations that attempt to thwart state regulation using claims of federal ERISA pre-emption of state insurance laws. To date, investigations by the Insurance Department's MEWA Task Force have resulted in cease and desist orders against two (2) MEWAs -- one of which was operating on a nationwide basis from outside Louisiana and was considered the largest such operation in the country to date.

Cease and desist orders have also been issued to twenty-four (24) MEWA related entities and individuals found to have been promoting these illegal activities. Hearings were held on six (6) of these individuals to assess administrative penalties. Insurance Department investigators continue to coordinate with other state insurance departments and federal authorities to halt these illegal operations in Louisiana.

Investigations include the compilation, research and analysis of information regarding the producers and companies obtained by the section from consumer complaints, producers, companies, other insurance department offices and other sources. Information is analyzed to determine if sufficient evidence exists to justify department action and/or criminal referral. Investigators work closely with law enforcement during on-site investigations of fraudulent activity and gathering of additional evidence.



**TABLE 2**

ACTIONS TAKEN REGARDING PRODUCER & COMPANY FRAUD IN FY 01/02	
Number of Investigations Opened	538
Cease & Desist Orders and/or Summary Suspensions Served	13
Walk-ins on Agencies/Producers/Companies for Fraud	8
Administrative Hearings Held	6
Dollar Amount of Administrative Fines Imposed	\$29,000
License Revocations	5
Criminal Referrals Made to Law Enforcement	24
Arrests Made as a Result of Criminal Referrals	11
Investigations Resulting in Federal Indictments	8

There were eleven (11) arrests in FY 01/02 because of criminal referrals from the Insurance Fraud Section. Those arrests are categorized in Table 3.

**TABLE 3**

INSURANCE FRAUD ARRESTS BY CATEGORY IN FY 01/02		
Category	% Of Crimes	No. Of Charges
Misappropriation of Insurance Premiums	2%	3
Felony Theft	7%	10
Insurance Fraud	12%	17
Selling Insurance Without a License	4%	6
False Public Records	32%	46
Unauthorized Use of a Movable	1%	1
Forgery	32%	46
Bank Fraud	10%	15

## INSURANCE FRAUD PREVENTION

The Insurance Fraud Section plays a critical role in insurance fraud prevention. The two key components are education and conducting extensive background investigations.

### EDUCATION

The Insurance Fraud Section's efforts in the area of education include press releases, brochures, increased on-line presence and speaking before various groups and organizations around the state regarding insurance fraud.

### BACKGROUND INVESTIGATIONS

As part of its duties, the Insurance Fraud Section is charged with the responsibility of investigating the backgrounds of companies, officers, directors, MNROs (Medical Necessity Review Organizations) and surplus lines producers applying to conduct the business of insurance in Louisiana. This includes changes of officers and directors of domestic companies currently authorized to do business in the state.

Contacts utilized to conduct background investigations include, but are not limited to:

- ◆ U.S. Attorneys
- ◆ Louisiana state prosecutors
- ◆ FBI and other federal enforcement agencies
- ◆ Other state law enforcement agencies nationwide
- ◆ Other state insurance regulatory agencies nationwide
- ◆ Federal and state agencies involving the regulation of securities
- ◆ Professional licensing boards in all states, nationally and internationally
- ◆ Professional associations and organizations at all levels
- ◆ Other regulatory agencies dependent upon the background of the entity involved
- ◆ Fraud prevention and detection organizations such as NICB (National Insurance Crime Bureau), IAIFA (International Association of Insurance Fraud Agencies), IASIU (International Association of Special Investigation Units), etc.

During the course of investigating companies and biographical information on individuals, it often becomes necessary to establish communications with regulatory, judicial and law enforcement agencies on interstate, national and international levels. The scope of the investigation often becomes extensive when derogatory information is discovered.

Some examples of cases in which the Insurance Fraud Section's investigations and research discovered information that led to the recommendation of denial of an application include:

- ◆ An applicant had been denied a license in another state for insurance fraud related activities.
- ◆ An applicant was a convicted felon involving fiscal responsibilities.
- ◆ An applicant was convicted of aggravated rape and the application as a producer was denied. This was challenged, but the denial was upheld at a hearing.

Table 4 outlines the type and number of applications completed by the Insurance Fraud Section for the fiscal year beginning July 1, 2001, and ending June 30, 2002.

**TABLE 4**

BACKGROUND INVESTIGATIONS COMPLETED BY INSURANCE FRAUD SECTION IN FY 01/02	
Description	Number
Company Applications Received	383
Company Applications Approved	328
Company Biographical Affidavits Received	2,851
Company Biographical Affidavits Approved	2,783
Surplus Lines Biographical Affidavits Received	29
Surplus Lines Biographical Affidavits Approved	29

The Insurance Fraud Section also investigates and reviews all applications for written consent in accordance with federal law, 18USC§1033, which requires that anyone convicted of certain felonies apply for and be granted written consent from the Commissioner of Insurance in order to participate in the business of insurance in any way.

## INTERNAL AUDIT DIVISION

The Internal Audit Division, established in 1992, reports to the Commissioner of Insurance through the Chief Deputy Commissioner. Its major function is to assist management by identifying weaknesses and deficiencies in departmental operations and to make recommendations for necessary corrective actions. This division also performs special projects, as assigned by the Commissioner, and special reviews as requested by division managers in an effort to avoid future problems.

In order to carry out the duties assigned to the division, the Internal Audit staff has full, free and unrestricted access to all departmental activities, records, property and personnel. Goals of the Internal Audit Division include continuing the education and professional training of its staff; conducting effective and timely audits of department offices, divisions, sections and units including the production of audit reports with appropriate constructive criticism; and eliminating the number of repeat findings in annual audit reports of the Insurance Department by the state's Legislative Auditor.

The audit schedule includes follow-up visits to areas previously audited to ensure that corrective actions are being taken to avoid continuance of weaknesses or deficiencies identified in audit findings.

2001-2002 ANNUAL REPORT  
OF THE  
COMMISSIONER OF INSURANCE

OFFICE OF MANAGEMENT & FINANCE

# OFFICE OF MANAGEMENT & FINANCE

## INFORMATION TECHNOLOGY DIVISION

The mission of the Information Technology Division (IT) is to provide support for all offices in the Department of Insurance regarding computer system development, computer systems operations, computer systems management, effective use of personal computers and general technical consulting for office automation.

The Information Technology Division achieves effectiveness by matching its objectives with the overall goals and objectives of the Department of Insurance. IT continually works with senior management and users to accomplish these objectives and to upgrade electronic information processing within the Department of Insurance.

At the operational level of the department, IT is generally seen as a tool for improving work efficiency. The primary activities of IT are collecting, storing and processing data, while developing and maintaining applications for other offices within the department. The IT Division completed one thousand nine hundred forty-five (1,945) service requests during fiscal year 2001-2002.

## ADMINISTRATIVE SERVICES DIVISION

The Administrative Services Division was formed in 1997 to improve the provision of necessary support services to employees of the Department of Insurance. All services are performed or provided in accordance with state laws, rules, regulations and department procedures and policies. Following is a summary of the sections assigned to the Administrative Services Division and a brief description of each.

### MAIL ROOM

Handles all mail and messenger service, maintenance of the agency's automobiles, maintenance of office supply inventory and distribution of supplies, maintenance and repair of photocopiers and other large equipment.

### PURCHASING

Procures all stock and special supplies, equipment, furniture and printing services by using ISIS and/or obtaining bids according to state law and purchasing rules and regulations.

## BUILDING SERVICES

Coordinates routine maintenance and repair of the Insurance Building by an on-site employee of State Buildings and Grounds. Items requiring special skills or outside vendors are coordinated by the Administrative Manager in the Administrative Services Section, working with State Buildings and Grounds personnel or outside vendors.

## TELECOMMUNICATION SERVICES

Manages and processes all telephone services including local and long distance, voice mail pagers, agency/individual state calling cards requests in conjunction with the Office of Telecommunications Management (OTM), and provides wiring and repair services when needed.

## PROPERTY CONTROL & PHYSICAL INVENTORY

Manages the receiving -- both physical and on-line -- of items purchased by the agency and tagging of items as required by law. Prepares and submits monthly reports of acquisitions and items sent to surplus to the Fiscal Affairs Division of the Insurance Department. An annual physical inventory certification report is completed in June and submitted to the Louisiana Property Assistance Agency.

## PROFESSIONAL SERVICES CONTRACTS/REQUESTS FOR PROPOSALS (RFPs)

Reviews and verifies all professional services contracts and RFPs to assure they are processed in accordance with agency policies and procedures and within the laws, rules and regulations of the state. The Deputy Commissioner of Management & Finance is responsible for seeing that all contracts are processed properly; therefore, the Administrative Manager works closely with the Deputy Commissioner to ensure accuracy in all areas.

## FILE ROOM

Processes all requests for copies of public information. Gives consumers the ratings, financial status, addresses, telephone numbers and producer for service on insurance companies. Receives and enters information from insurers quarterly statements which are received three times a year. Receives and enters information from the annual statements that are received at the beginning of each year. Files all correspondence or information that pertains to insurance companies licensed to do business in Louisiana. Processes requests for certified copies and prints invoices for all copy requests.

## ASSESSMENT & DATA MANAGEMENT DIVISION

The Assessment and Data Management Division is responsible for the collection of taxes and self-generated revenues with a total annual value **over 160 million dollars** submitted by companies and producers operating in Louisiana.

This division receipts and batches all revenues received by the department through fees, fines, premium taxes and assessments ((Louisiana Insurance Rating Commission (LIRC), insurance fraud and HIPAA)); collects, maintains and prepares reports from statistical data provided by insurers and parish clerks of court; classifies revenue related to personal injury lawsuits, the LIRC assessment, insurance fraud assessments, HIPAA assessment and producer licensing; and issues the notification and invoices of all assessments of companies licensed to transact business in the state.

The division is also responsible for timely collections of funds, timely processing of monies, processing associated documentation and auditing the forms related to the assessments for accuracy.

Data collected by the Assessment and Data Management Division forms the basis for assessments made by the LIRC, Louisiana Workers' Compensations Second Injury Board and Louisiana Insurance Guaranty Association (LIGA). The Louisiana Legislature, insurance companies, brokers, producers, LIRC, LIGA and the Second Injury Board use the data collected and reports prepared by this division. Reports and data collected are a matter of public record and are available to the public upon request.



## FISCAL AFFAIRS DIVISION

The Fiscal Affairs Division manages and protects the Insurance Department's real and monetary assets as well as being one of the top five revenue sources for Louisiana. Fiscal Affairs oversees the collection of examination fees and is responsible for budgeting, payroll, accounts payable and accounts receivable.

For FY 01/02, the Department of Insurance receipts **totaled \$208.7 million**. Insurance premium taxes represents the largest portion at 70.81% or \$147.8 million. In addition to the insurance premium taxes, the department collections include pension fund assessments at 15.5% or \$32.3 million, regulatory fees and licenses at 12.17% or \$25.4 million, insurance fraud assessment at 1.1% or \$2.3 million. Insurance premium taxes, pension fund assessments and insurance fraud assessments (excludes 10% for LDOI) represents the bulk of collections at **87.3% or \$182.2 million and are not used to finance the Insurance Department's operations.**

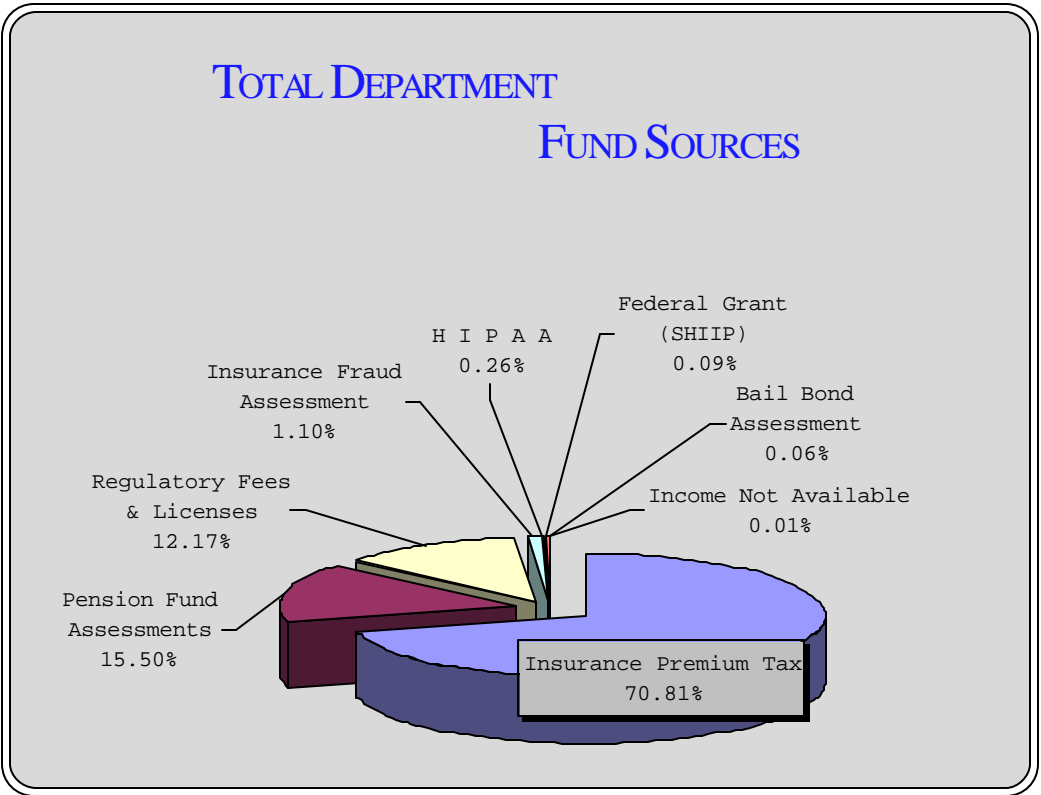
Bail bond fees of \$116,004 were collected on behalf of the 24th Judicial Court Fund. The remaining 12.7% or \$26.5 million is a combination of regulatory fees and licenses, Health Insurance Portability and Accountability Act (HIPAA), federal grant (SHIIP) and insurance fraud assessments (**10% of total collections remains with LDOI**) which are used to finance the operations of the Department of Insurance.

### TOTAL DEPARTMENT FUND SOURCES

INSURANCE PREMIUM TAX	70.81%	\$147,782,574
PENSION FUND ASSESSMENTS	15.50%	32,345,134
REGULATORY FEES AND LICENSES	12.17%	25,401,443
INSURANCE FRAUD ASSESSMENT	1.10%	2,303,046
HIPAA	0.26%	539,437
FEDERAL GRANT (SHIIP)	0.09%	198,252
BAIL BOND ASSESSMENT	0.06%	116,004
INCOME NOT AVAILABLE	0.01%	19,216

**TOTAL** **\$208,705,106**

CHART 1



### TOTAL COLLECTION OF FUNDS

GENERAL FUND	70.82%	\$147,801,790
DEPARTMENT OPERATING EXPENSES	12.23%	25,517,447
MUNICIPAL POLICE RETIREMENT/ FIRE FIGHTERS RETIREMENT/SHERIFFS' PENSION & RELIEF FUND	14.99%	31,285,883
MUNICIPAL FIRE & POLICE CIVIL SERVICE	0.51%	1,059,251
HIPAA	0.26%	539,437
FEDERAL GRANT (SHIIP)	0.09%	198,252
FRAUD ASSESSMENT:		
DEPT. OF PUBLIC SAFETY	0.82%	1,704,784
DEPT. OF JUSTICE	0.16%	340,957
DEPT. OF INSURANCE	0.12%	257,305

**TOTAL** **\$208,705,106**

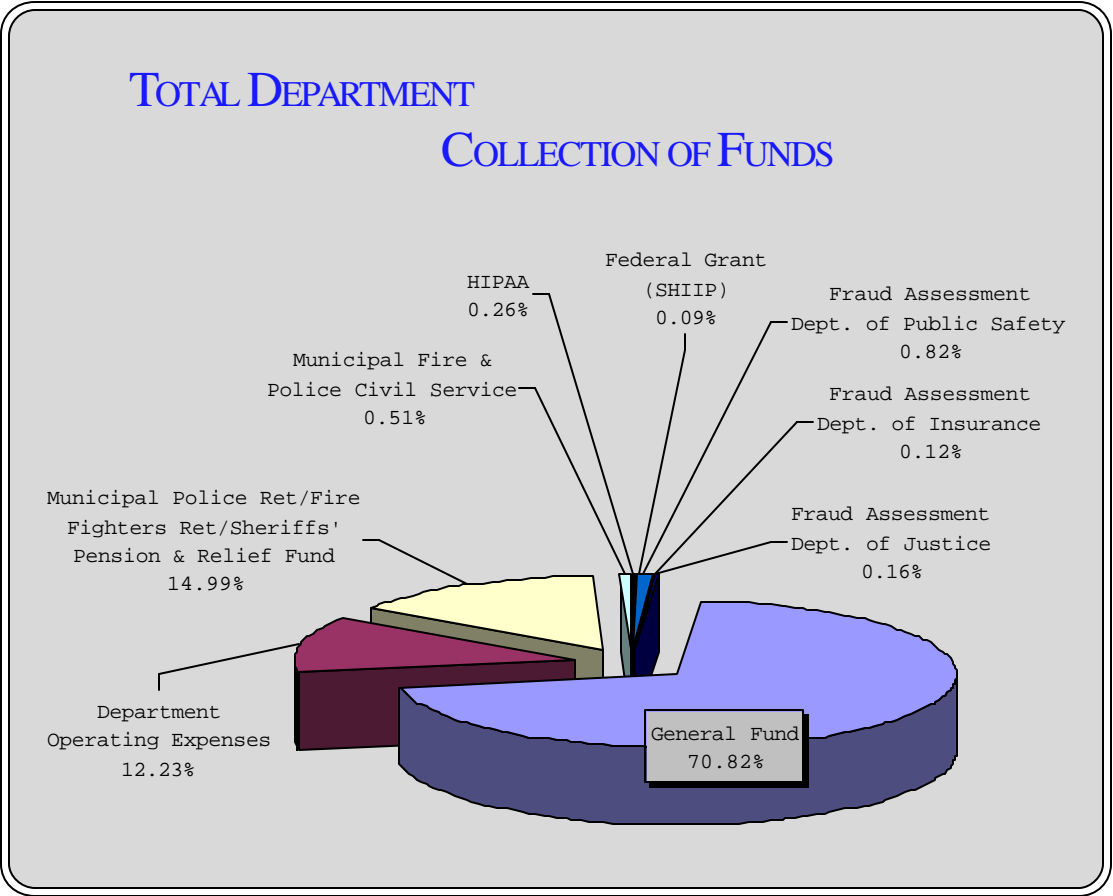
The majority of funds collected by the Insurance Department were deposited to the State Treasurer's Office for use as general fund dedicated programs.

Of the **\$208.7 million collected, \$147.8 million was used as State General Fund and \$60.9 million was used to finance programs.** Among the dedicated programs receiving funding were various law enforcement and fire fighter retirement programs which received \$31.3 million and Municipal Fire and Police Civil Service which received \$1.06 million of the total funds collected.

Bail bond fees of \$116,004 were collected on behalf of the 24th Judicial Court Fund. The remaining collections of \$26.5 million represent a combination of regulatory fees and licenses, federal grant and statutory dedicated funds used by the Insurance Department as its operating source.

The total collection for the Insurance Fraud Assessment is divided between the Department of Public Safety (75%), the Department of Justice (15%), and the Department of Insurance (10%).

CHART 2



STATEMENT OF REVENUES & EXPENDITURES  
FOR THE FISCAL YEAR ENDING JUNE 30, 2002

TABLE 5

REVENUES:	
Insurance Premium Tax	\$147,782,574
Pension Fund Assessments	32,345,134
Regulatory Fees and Licenses	25,401,443
*Self-Generated Fees – Carry forward from fiscal year 2001	95,567
Insurance Fraud Assessment	2,303,046
*Fraud – Carry forward from fiscal year 2001	514
Bail Bond Assessment	116,004
HIPAA	539,437
*HIPAA – Carry forward from fiscal year 2001	167,440
Federal Grant (SHIIP)	198,252
Income Not Available	19,216
<b>Total</b>	<b>\$208,968,627</b>
*Note: Total includes funds carried forward from fiscal year 2000-2001	
EXPENDITURES:	
Personal Services	\$13,188,348
Travel	509,911
Operating Services	2,551,330
Supplies	366,737
Professional Services	1,556,828
Other Charges	265,295
Capital Outlay	955,128
Major Repairs	0
Interagency Transfers	719,503
<b>Total</b>	<b>\$20,113,080</b>
TRANSFER OUT:	
General Fund	\$147,801,790
Reversion to General Fund	3,858,275
Transfer to Capital Outlay – Building Fund	2,600,000
Municipal Police Retirement/Fire Fighters Retirement/ Sheriffs' Pension & Relief Fund	31,285,883
Municipal Fire & Police Civil Service	1,059,251
Fraud Assessment:	
Department of Public Safety	1,704,784
Department of Justice	340,957
<b>Total</b>	<b>\$188,650,940</b>
FUNDS CARRIED FORWARD INTO FISCAL YEAR 2002-2003	
Self-Generated (Professional Services Contract)	\$ 0
HIPAA	204,607
Insurance Fraud Assessment-Department of Insurance	0
<b>Total</b>	<b>\$204,607</b>

## HUMAN RESOURCE DIVISION

The Human Resource Division is responsible for all personnel-related matters including:

- ◆ Employee benefits (i.e., insurance, workers' compensation, unemployment compensation, retirement plan)
- ◆ Recruitment, selection and placement of all employee classifications and evaluations (i.e., job descriptions, job evaluations, factor analyses)
- ◆ Employee relations (i.e., grievances, employee counseling, EEO employee assistance program, drug testing)
- ◆ Affirmative action, performance planning and review system, safety, discipline and wage & salary administration

In addition, the Human Resource Division is responsible for insuring compliance with Civil Service Rules and Regulations, as well as relative state and federal laws, such as Fair Labor Standards Act (FLSA), Family Medical Leave Act (FMLA) and Americans with Disabilities Act (ADA).

In FY 01/02, the Human Resource Division processed approximately seven hundred eleven (711) separate personnel actions: fourteen (14) were promotional opportunities, four (4) were retirements and approximately forty (40) were the result of a job study/reallocation.

2001-2002 ANNUAL REPORT

OF THE

COMMISSIONER OF INSURANCE

OFFICE OF PROPERTY & CASUALTY

# OFFICE OF PROPERTY & CASUALTY

The Office of Property & Casualty reviews rate, rule and form filings for compliance with all applicable laws, rules, regulations and bulletins. The office also provides information, advice and assistance to consumers and industry representatives by responding to inquiries and complaints, making public presentations and supplying informational pamphlets and brochures. The Office of Property & Casualty is divided into the following three divisions:

- ◆ Insurance Rating Division
- ◆ Forms & Compliance Division
- ◆ Louisiana Property & Casualty Insurance Commission

The Office of Property & Casualty has varying regulatory authority over both the admitted and surplus market, which **exceeded \$5 billion in written premiums as of December 31, 2001.**

(Note: Requirements for this publication reflect 2001 calendar year Annual Statement data reported by insurers writing business in Louisiana.)

## INSURANCE RATING DIVISION

The Insurance Rating Division provides support to the Louisiana Insurance Rating Commission (LIRC).

The LIRC as defined by R.S. 22§1401 through §1448 consists of six (6) members appointed by the Governor and the Commissioner of Insurance by virtue of his elected position. The Commissioner acts as chairman at each monthly meeting. The six appointed members serve concurrently with the Governor's term, and must be reaffirmed every two years by the Senate. For fiscal year 2001-2002, the LIRC approved rate changes that had a market impact of +4.68%.

Louisiana is a "prior approval" state, meaning companies cannot change their property and casualty (P&C) rates or rules without first receiving the Insurance Rating Commission's approval. It is the purpose of the LIRC to see that all P&C rates and rules for admitted carriers are not excessive, inadequate or unfairly discriminatory. This is accomplished through:

1. A monthly review of all initial rate and rule programs and all proposed rate and rule changes.
2. Actuarial review of selected rate and rule filings.
3. Generation of revenue through an assessment.

The LIRC meets every third Wednesday of the month. The cut-off date for the LIRC agenda is the first Wednesday of the month at noon. At the monthly meeting, the LIRC, by majority vote, will approve, defer or disapprove a rate and/or rule filing. Tables 6, 7 and 8 summarize LIRC filing volume by year.



Table 6 shows the total number of filings reviewed by the Louisiana Insurance Rating Commission during the last three fiscal years.

**TABLE 6**

NUMBER OF RATE/RULE FILINGS REVIEWED 3-YEAR HISTORY	
Fiscal Year	Total Number of Filings
07-01-2001 to 06-30-2002	1,742
07-01-2000 to 06-30-2001	1,946
07-01-1999 to 06-30-2000	1,926

The LIRC may approve a proposed rate or rule revision as submitted. If the rate request is found not to be actuarially justified, the LIRC can amend the requested percentage change. The filing company has fourteen (14) days to accept or reject the LIRC's amended percentage change.

The LIRC can defer a filing pending further study or pending receipt of the filing company's response to any questions generated by the LIRC.

If actuarial data does not support the proposed rate/rule change, or if the LIRC finds the proposed rate/rule not to be in the best interest of the public, the LIRC may vote to disapprove the rate/rule revision. This action means the rate/rule revision cannot be implemented.

A company can request that the Louisiana Insurance Rating Commission reconsider any action taken in regards to the company's rate or rule filing.

There may be some cases where a filing is not received by the LIRC's agenda cut-off date. These are referred to as "add-ons". In this case, if there is a unanimous vote by the LIRC to add this item to the current agenda, it will be placed at the end of the regular order of agenda items under review for that month. It is the intent of the LIRC to keep add-ons to a minimum.

Table 7 displays the number of add-ons reviewed by the LIRC.

**TABLE 7**

AGENDA ADD-ONS 3-YEAR HISTORY	
Fiscal Year	Total Number of Add-ons
07-01-2001 to 06-30-2002	12
07-01-2000 to 06-30-2001	2
07-01-1999 to 06-30-2000	3

An initial filing is one filed by a company in Louisiana for the first time. Table 8 shows the number of initial filings reviewed by the Insurance Rating Division and acted upon by the LIRC.

**TABLE 8**

NUMBER OF INITIAL RATE/RULE FILINGS REVIEWED 3-YEAR HISTORY	
Fiscal Year	Total Number of Filings
07-01-2001 to 06-30-2002	392
07-01-2000 to 06-30-2001	440
07-01-1999 to 06-30-2000	396

If a company fails to respond to a request for information or corrections to an approved insurance program from the Insurance Rating Division within a one hundred twenty (120) day time frame, the LIRC may issue an Order to Show Cause. This order directs a company to remedy the cited concern within ten (10) days or run the risk of being fined up to a maximum of \$25,000 per offense. This action is authorized in accordance with R.S. 22§1447.

Table 9 displays the number of orders to show cause issued by the LIRC for the last three fiscal periods.

**TABLE 9**

ORDERS TO SHOW CAUSE 3-YEAR HISTORY		
Fiscal Year	Number	Fines Issued
07-01-2001 to 06-30-2002	0	\$0
07-01-2000 to 06-30-2001	10	\$0
07-01-1999 to 06-30-2000	20	\$5,000

The decrease in orders to show cause as seen in Table 9 is due to the elimination of the auditing and issuance of experience rating modifiers.

The Actuarial Services Department (a division of the Office of Financial Solvency) reviews most rate filings. A written actuarial recommendation is provided to the LIRC for all rate filings that involve Louisiana written premiums of at least \$250,000. If other rate or rule filings are found to contain unresolved actuarial issues or result in amended provisions, a written actuarial recommendation is also provided to the LIRC.

Actuarial review may result in a company's filing being amended to a lesser or greater percentage change. The final action on such revisions to a filing lies solely with the LIRC. Table 10 on the next page represents actions taken by the LIRC on rate revision requests, which the Actuarial Services Department reviewed and submitted a recommendation to the LIRC.

TABLE 10

RATE FILING IMPACT 3-YEAR HISTORY					
2001-2002					
	Number Filings	Percentage of Filings	Requested Dollar Impact ('000)	Approved Dollar Impact ('000)	Savings Dollar Impact ('000)
Disapprovals	119	29.6%	23,745	0	23,745
Approvals	283	70.3%	266,844	241,431	25,414
<i>Amendments</i>	138	34.3%	174,543	94,159	80,384
<i>All Other Approvals</i>	145	36.0%	92,302	147,272	-54,970
<b>Totals</b>	<b>402</b>	<b>100.0%</b>	<b>290,590</b>	<b>241,430</b>	<b>49,160</b>
2000-2001					
	Number Filings	Percentage of Filings	Requested Dollar Impact ('000)	Approved Dollar Impact ('000)	Savings Dollar Impact ('000)
Disapprovals	145	31.8%	36,292	0	36,292
Approvals	308	71.5%	90,789	87,180	3,610
<i>Amendments</i>	16	3.5%	17,455	13,149	4,305
<i>All Other Approvals</i>	292	68.0%	73,335	74,030	-696
<b>Totals</b>	<b>453</b>	<b>100%</b>	<b>127,082</b>	<b>87,180</b>	<b>39,902</b>
1999-2000					
	Number Filings	Percentage of Filings	Requested Dollar Impact ('000)	Approved Dollar Impact ('000)	Savings Dollar Impact ('000)
Disapprovals	128	26.9%	26,538	0	26,538
Approvals	295	75.2%	-25,396	-30,661	5,265
<i>Amendments</i>	14	3.3%	31,514	4,941	26,573
<i>All Other Approvals</i>	281	71.9%	-56,910	-35,601	-21,309
<b>Totals</b>	<b>427</b>	<b>100.0%</b>	<b>2,879</b>	<b>-30,661</b>	<b>33,540</b>

In 1995, legislation was enacted which requires workers' compensation group self-insurance funds to file rates and rules with the Department of Insurance for approval. The Commissioner of Insurance delegated review and action authority to the Louisiana Insurance Rating Commission. Actuarial Services' staff reviews these filings for rate adequacy and statutory compliance and recommends a course of action to the Deputy Commissioner for the Office of Property & Casualty.

Table 11 summarizes activities on workers' compensation group self-insured funds at for the last three fiscal-year periods.

**TABLE 11**

NUMBER OF GROUP SELF-INSURANCE FUND RATE/RULE FILINGS REVIEWED 3- YEAR HISTORY			
Fiscal Year	Approved	Disapproved	Withdrawn
07-01-2001 to 06-30-2002	0	0	0
07-01-2000 to 06-30-2001	3	0	0
07-01-1999 to 06-30-2000	6	0	0

Each year the LIRC collects assessment fees based on the premiums written by each admitted property and casualty company that conducts business in the state of Louisiana. This assessment is based on the premiums written from January 1 through December 31 of the prior calendar year. For the 2001 assessment, the premiums written in 2001 were used to determine the amount owed by each property and casualty company.

The total LIRC assessment was .01 in 2001. The LIRC collected assessment revenue in the amount of \$44,700,023 based on approximately \$4,470,002,355 in Louisiana property and casualty assessable written premiums. The LIRC's allocated portion was approximately \$11,867,727. All collected revenue was forwarded to the State's General Fund.

In accordance with R.S. 22§1419 (A), the assessment is distributed as follows:

Municipal Police Retirement System	<b>.004000</b>
Sheriffs' Pension Relief Fund	<b>.001000</b>
Fire Fighters' Retirement System	<b>.002001</b>
LIRC	<b>.002763</b>
Municipal Police & Fire Civil Service	<b><u>.000237</u></b>
<b>Total</b>	<b>.010000</b>

The volume of insurance business for which the LIRC has oversight is displayed in Table 12.  
(At the time of publication, only calendar year 2001 experience was available.)

**LOUISIANA ADMITTED PROPERTY & CASUALTY MARKET**  
**EXHIBIT OF UNDERWRITING GAINS & LOSSES BY LINE OF BUSINESS**  
**CALENDAR YEAR 2001**

**TABLE 12**

DIRECT BUSINESS IN THE STATE OF LOUISIANA FOR THE CALENDAR YEAR 2001					
Line of Business	Premiums Written	Losses & Adjustments Incurred	Underwriting Expenses	Gains From Underwriting	Losses & Expenses % of DEP
Fire	98,421,369	31,028,480	26,585,185	31,205,823	64.87
Allied Lines	73,225,087	60,341,765	23,485,176	-19,024,879	129.36
Farmowners M/P	6,369,123	4,471,399	2,182,279	-408,042	106.53
Homeowners M/P	651,016,153	452,678,431	212,019,053	-48,961,209	107.95
Commercial M/P Fire	170,125,386	121,045,674	57,568,799	-13,078,070	107.90
Commercial M/P Liability	112,948,312	113,206,843	39,938,630	-44,630,631	141.13
Inland Marine	168,396,887	63,408,780	56,211,663	34,468,025	77.63
Financial Guaranty	8,604,427	-176,367	4,690,790	5,965,565	43.08
Medical Malpractice	71,952,498	74,198,136	12,366,601	-16,159,998	122.95
Earthquake	3,394,339	379,325	1,017,679	1,383,672	50.24
Workers' Compensation	548,071,394	395,760,800	148,245,517	-17,826,126	103.39
Liability Other Than Auto	265,953,258	191,155,425	70,864,320	444,879	99.83
Product Liability	18,348,894	61,000,754	6,495,658	-45,482,032	306.60
Private Passenger Auto Liability	1,277,987,198	1,254,582,047	281,680,581	-287,428,520	123.02
Commercial Auto Liability	281,115,934	303,158,036	63,440,591	-91,905,044	133.46
Private Passenger Physical Damage	943,607,804	733,970,787	214,060,607	-17,667,062	101.90
Commercial Auto Physical Damage	82,123,944	49,350,945	20,824,233	9,088,529	88.53
Fidelity	8,429,843	5,226,746	3,300,155	490,038	94.57
Surety	49,171,059	43,971,565	23,930,754	-23,381,101	152.52
Glass	124,486	-10,373	7,803	751,975	-0.34
Burglary & Theft	1,318,518	429,914	433,247	303,565	73.98
Boiler & Machinery	13,140,064	4,580,740	3,923,350	4,326,586	66.28
Credit	7,104,859	3,265,501	2,970,621	13,276	99.79
Mortgage Guaranty	37,198,799	9,116,075	6,749,337	21,402,462	42.57
Title	58,074,997	4,210,651	54,524,639	-1,663,509	102.91
Miscellaneous	38,051,025	69,321,309	8,818,035	-36,201,506	186.32
<b>Totals</b>	<b>4,994,275,657</b>	<b>4,049,673,388</b>	<b>1,346,335,303</b>	<b>-553,973,334</b>	<b>111.44</b>

## FORMS & COMPLIANCE DIVISION

The Forms and Compliance Division reviews contract forms submitted by insurers for compliance with applicable statutes, rules and regulations, investigates consumer complaints involving underwriting, claim handling, policyholder services, and marketing practices of insurers and producers. This includes:

- ◆ Review of property and casualty insurance contract forms, for compliance with applicable statutory requirements.
- ◆ Resolution of policyholder grievances regarding property and casualty insurance coverage, and policyholder's legal rights.
- ◆ Enforcement of industry compliance with consumer protection regulations.
- ◆ Education of the public about insurance coverage, legal rights and how to avoid future problems.

Table 13 shows the total number of form filings reviewed by the Forms and Compliance Division.

**TABLE 13**

TOTAL NUMBER OF FORM FILINGS REVIEWED 3-YEAR HISTORY	
Fiscal Year	Total Number of Filings
07-01-2001 to 06-30-2002	44,536
07-01-2000 to 06-30-2001	39,385
07-01-1999 to 06-30-2000	20,304

Table 14 represents the actions taken by the Forms and Compliance Division. The form filing approval rate for fiscal year 2001-2002 is 27.7%

**TABLE 14**

ACTIONS TAKEN NUMBER OF FORM FILINGS REVIEWED 3-YEAR HISTORY		
Fiscal Year	Approved	Disapproved
07-01-2001 to 06-30-2002	7,989	28,833
07-01-2000 to 06-30-2001	11,029	22,079
07-01-1999 to 06-30-2000	14,042	22,495



## ANNUAL CONSUMER COMPLAINT REPORT

### PROPERTY & CASUALTY FORMS & COMPLIANCE DIVISION

LA R.S. 22§1219 REPORT BY THE COMMISSIONER

*The Commissioner of Insurance shall annually submit a report to the Senate and House of Representatives Committees on Insurance relative to complaints received and actions taken pursuant to the provisions of this Part. Such report shall contain information relative to the number of complaints received, and the disposition of same, the amount collected in penalties, the cost of all related proceedings, and such other information as the commissioner deems pertinent or the insurance committees shall request.*

Effective July 1, 2001, property and casualty (P&C) complaints were handled by the Office of Property & Casualty -- Forms and Compliance Division. The Forms and Compliance Division sent out **2,387** complaint packets during the fiscal year 2001-2002 and completed processing of **2,958** P&C consumer complaints, compared to **2,926** consumer complaints during the fiscal year 2000-2001.

The efforts of the Forms and Compliance Division resulted in reimbursements and claim settlements totaling **\$2,512,965** being realized by consumers. Table 15 represents the number of complaints processed.

**TABLE 15**

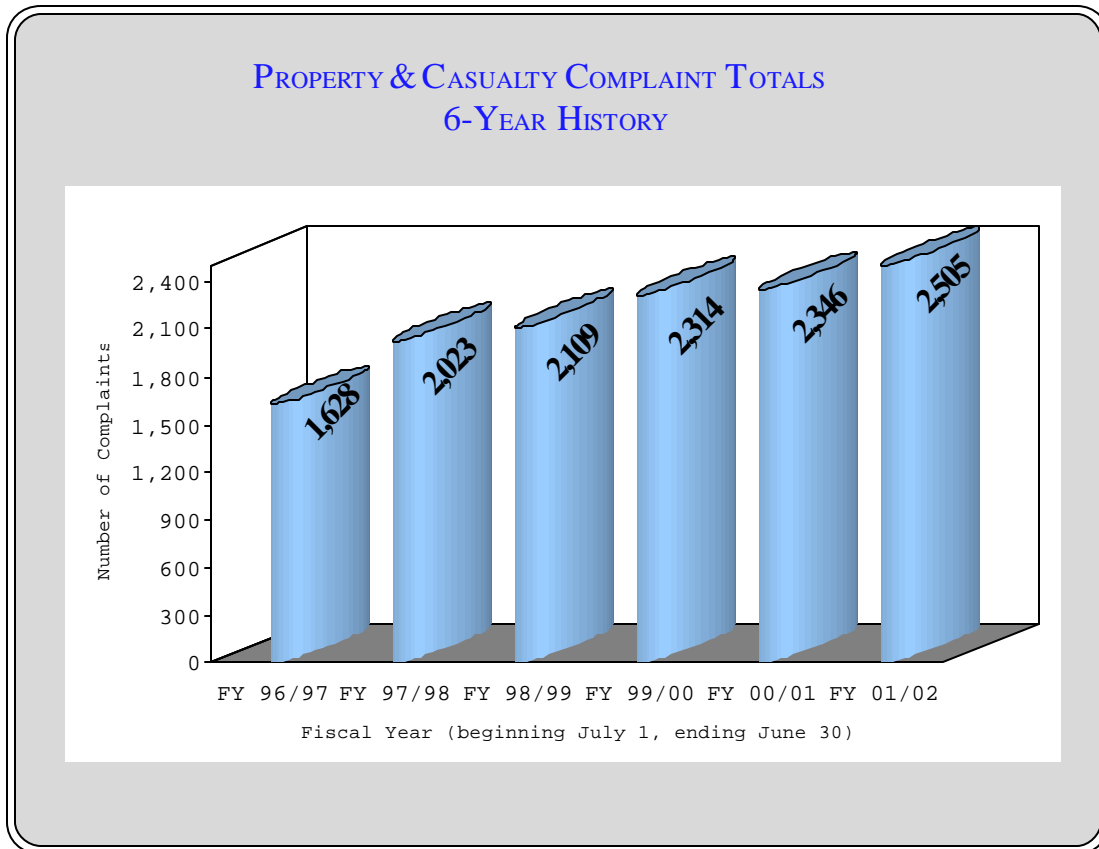
NUMBER OF PROPERTY & CASUALTY CONSUMER COMPLAINTS PROCESSED 3-YEAR HISTORY	
Fiscal Year	Total Number of Complaints
07-01-2001 to 06-30-2002	2,958
07-01-2000 to 06-30-2001	2,926
07-01-1990 to 06-30-2000	2,109

On the following pages, Table 16 and Chart 3 give a statistical overview and history of the property and casualty insurance consumer complaints handled by the Louisiana Department of Insurance.

TABLE 16

PROPERTY & CASUALTY COMPLAINT STATISTICS REPORT TOTAL COMPLAINTS INVOLVING ALL TYPES OF PROPERTY & CASUALTY INSURANCE IN FY 01/02				
Coverage	Total No. Filed	% Of Total	Closed	Opened
1000 – Excess/Stop Loss	0	0.00%	0	0
1002 – Multi Coverage	0	0.00%	0	0
1003 – Alternative Workers Comp	0	0.00%	0	0
1004 – P/C Multi Coverage	0	0.00%	0	0
301 – Personal Auto	1,479	59.04%	1,479	31
302 – Commercial Auto	43	1.72%	38	5
303 – Auto/UMBI	2	0.08%	2	0
304 – Auto/UMPD	1	0.04%	1	0
305 – Auto/Physical Damage	1	0.04%	1	0
306 – Auto/Motor Home	2	0.08%	2	0
307 – Auto/Drivers Exclusion	0	0.00%	0	0
308 – Auto/Motorcycle	4	0.16%	4	0
309 – Auto/VMB-Extended Warranty	12	0.48%	11	1
310 – Auto/GAP Coverage	2	0.08%	2	0
390 – Auto/Other	9	0.36%	9	0
401 – Commercial Fire/Industrial	1	0.04%	1	0
402 – Commercial Multi Peril	5	0.20%	5	2
404 – Commercial Fire & Allied	0	0.00%	0	0
405 – Commercial Business Owners	11	0.04%	11	0
406 – Commercial Crime	0	0.00%	0	0
407 – Commercial Business	40	1.60%	39	1
408 – Commercial/Property	28	1.12%	25	3
490 – Commercial Other	69	2.75%	68	1
501 – Homeowners	500	19.96%	497	3
502 – Homeowners/Mobile Home	13	0.05%	13	0
504 – Flood	18	0.66%	13	5
505 – Home Warranty	1	0.04%	1	0
590 – Homeowners/Other	5	0.20%	5	0
801 – Liability	23	0.92%	20	3
802 – Liability/E&O, D&O, Professional Liab	8	0.32%	7	1
803 – Liability/Umbrella	2	0.08%	2	0
806 – Liability Business	2	0.08%	2	0
890 – Liability/Other	9	0.04%	9	0
901 – Miscellaneous/Work Comp/Empl	70	2.79%	70	0
902 – Miscellaneous/Fidelity & Surety/Bond	50	2.00%	38	12
903 – Miscellaneous/Ocean Marine	1	0.04%	1	0
904 – Miscellaneous/Inland Marine	14	0.56%	14	0
905 – Miscellaneous/Title	3	0.12%	3	0
911 – Miscellaneous/Crop/Livestock	0	0.00%	0	0
912 – Miscellaneous/Involuntary Unemployed	1	0.04%	1	0
98 – Not Applicable	0	0.00%	0	0
990 – Miscellaneous/Other	56	2.24%	50	6
<b>Totals</b>	<b>2,505</b>	<b>100%</b>	<b>2,438</b>	<b>67</b>

**CHART 3**



## LOUISIANA PROPERTY & CASUALTY INSURANCE COMMISSION

### LEGISLATIVE BACKGROUND AND PURPOSE

In 1997, the Louisiana Legislature created the Council on Automobile Insurance Rates and Enforcement (C.A.I.R.E.) to undertake a comprehensive study and provide oversight and recommendations aimed at enforcement of those laws and programs that affect automobile insurance rates. C.A.I.R.E. researched and studied many ideas that have been beneficial in the area of lowering automobile insurance rates, including, but not limited to, the impoundment law, "No Pay, No Play," stronger penalties for DWI, graduated licensing, automobile insurance checkpoints and a crackdown on insurance fraud.

Due to C.A.I.R.E.'s thorough studies of law enforcement and the automobile insurance situation in the state, the 2001 Louisiana Legislature expanded C.A.I.R.E.'s realm of study to include not only automobile insurance but also homeowners' insurance and workers' compensation insurance, thus forming the Louisiana Property & Casualty Insurance Commission (Act Number 187 in the 2001 Regular Session, R.S. 22§15). The Louisiana Property & Casualty Insurance Commission, which consists of three ad hoc committees (Automobile Insurance Ad Hoc Committee, Homeowners' Insurance Ad Hoc Committee and Workers' Compensation Ad Hoc Committee) has been given the task of reviewing and examining the availability and affordability of property and casualty insurance in the state of Louisiana.

Over the past year, the commission has met monthly in order to thoroughly discuss those issues that are affecting the property and casualty insurance market in our state. The commission has opened its doors to not only the insurance industry but also to other state agencies, special interest groups and the Louisiana Insurance Rating Commission, so that all avenues could be fully explored and addressed. As a result of this collaborated effort, we have compiled a list of legislative recommendations has been compiled. Each member of the legislature, the governor and the commissioner of insurance has been given this list of recommendations, along with a thorough discussion on each issue, in the form of an annual report.

### PUBLICATIONS

A newsletter, *The Property & Casualty Insurance Commission Monthly Report*, is published by the Louisiana Property & Casualty Insurance Commission.

The Louisiana Property & Casualty Insurance Commission is required by law to submit an annual report prior to each regular legislative session. In this year's report, the Louisiana Property & Casualty Insurance Commission addresses highway safety problems, along with industry related issues. It is this commission's hope that by passing laws related to these recommendations, lives would be saved and improvements made in what some are calling a near failing homeowners insurance market.

## SUMMARY OF RECOMMENDATIONS

- ◆ Outlaw open alcohol containers for passengers
- ◆ Require that 2<sup>nd</sup> time DWI convicted offenders install an ignition interlock device in their vehicle, at their expense, for one year
- ◆ Prohibit pretrial diversion for DWIs
- ◆ Repeal Odinet bill, which lessens the penalty for repeat DWI offenders
- ◆ Require seat belt usage for all passengers
- ◆ Base child safety seat/booster seat usage on years and weight
- ◆ Restrict persons under the age of 21 from entering bars
- ◆ Reenact the mandatory motorcycle helmet law
- ◆ Create a system for maintaining records for the number of vehicles impounded for not having proper proof of insurance
- ◆ Lower the jury trial threshold limit
- ◆ Establish a tracking system for DWI arrests
- ◆ Modify the Louisiana Insurance Rating Commission to a Flex Band System
- ◆ Repeal Sections 655 (B) and 983 (E) of Title 22 -- the direct action insurance statute
- ◆ Reform the funding mechanism of the Louisiana FAIR and Coastal Plans by extending the time needed for companies to pay their assessments
- ◆ Modify the cancellation law

## MEMBERSHIP OF THE LOUISIANA PROPERTY & CASUALTY INSURANCE COMMISSION

The twenty-one (21) member Commission is composed of:

- ◆ The Governor or his designee
- ◆ The Superintendent of State Police or his designee
- ◆ The Assistant Secretary of the Louisiana Department of Public Safety and Corrections, Office of Motor Vehicles or his designee
- ◆ The Attorney General or his designee
- ◆ The President of the Louisiana Association of Chiefs of Police or his designee
- ◆ The President of the Louisiana District Attorneys' Association or his designee
- ◆ The President of the Louisiana Sheriffs' Association or his designee
- ◆ The Chairperson of the Louisiana Insurance Rating Commission or his designee
- ◆ Two Members of the House Committee on Insurance selected by its Chairman
- ◆ Two Members of the Senate Committee on Insurance selected by its Chairman
- ◆ One Consumer Representative selected by the Speaker of the House of Representatives
- ◆ One Consumer Representative selected by the President of the Senate
- ◆ A Representative of the Independent Insurance Agents of Louisiana
- ◆ A Representative of the Professional Insurance Agents of Louisiana
- ◆ The Executive Director of the Louisiana Highway Safety Commission
- ◆ A Representative of the Property Insurance Association of Louisiana appointed by its Governing Committee
- ◆ A Representative of the Louisiana Workers' Compensation Corporation appointed by its Board of Directors
- ◆ A Representative of the Louisiana Department of Labor, Office of Workers' Compensation appointed by the Secretary of Labor
- ◆ The Commissioner of Insurance or his designee.

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OFFICE OF FINANCIAL SOLVENCY

# OFFICE OF FINANCIAL SOLVENCY

The Office of Financial Solvency consists of four (4) divisions:

- ◆ Financial Examinations & Analysis Division
- ◆ Actuarial Division
- ◆ Market Conduct Division
- ◆ Surplus Lines & Insurance Premium Tax Division

These divisions work together to examine and monitor the financial condition and market conduct activities of all insurers approved to conduct the business of insurance in Louisiana. The type of regulated insurer varies and includes Louisiana domiciled (Domestic), out of state (Foreign) and out of country (Alien) insurers. These companies may operate as life, health, property and casualty, health maintenance organizations, surplus lines, self-insurance funds (primarily workers' compensation insurance), vehicle mechanical breakdown companies and automobile clubs.

This office is staffed primarily by accounting and actuarial professionals who review the financial condition of insurers for the protection of the policyholders and taxpayers of Louisiana.

## FINANCIAL EXAMINATIONS & ANALYSIS DIVISION

This division is divided into two units: the Financial Examinations Unit and the Financial Analysis Unit. The Financial Examinations Unit performs on-site examinations, at least once every five years, as required by statute, of the financial, corporate and marketing practices of Louisiana domiciled insurers under the provisions and requirements of the Louisiana Insurance Code. Examinations may entail a review of all operations of insurers and their related transactions with affiliates, or be confined to limited or targeted areas relating to the insurers' activities.

The Financial Analysis Unit analyzes the periodic financial statements and other required filings of licensed insurers. The activities of the analysts are important in the early detection of financially troubled insurers. During the course of the year, the analyst will review consumer complaint data, financial statements, holding company registration statements, affiliated transactions, investments and other items. In addition, this unit performs financial reviews of insurance company acquisition transactions and insurance company licensing applications and mergers.



## ACTUARIAL DIVISION

The Actuarial Division is composed of two units: the Life and Health Actuarial Unit and the Property and Casualty Actuarial Unit. The Actuarial Division provides actuarial analysis of all insurance legislation.

The Life and Health Actuarial Unit provides actuarial expertise in the determination of the adequacy of the reserve liabilities established by life and health insurers and health maintenance organizations.

The Property and Casualty Actuarial Unit provides similar actuarial and reinsurance expertise to the examination and analysis of property and casualty insurers, title insurers, vehicle mechanical breakdown companies and self-insurance funds.

## MARKET CONDUCT DIVISION

The Market Conduct Division monitors the sale, marketing, underwriting, policy issuance and claims administration activities of insurance companies and producers to determine whether the acts and/or practices of insurance companies are unfair and/or deceptive to policyholders and/or beneficiaries and to determine if the practices are in violation of Louisiana insurance laws or regulations.

In addition to halting any illegal, unfair or deceptive practices, the Market Conduct Division also seeks sanctions or penalties against insurers and producers for these practices.

## SURPLUS LINES & INSURANCE PREMIUM TAX DIVISION

The Surplus Lines and Insurance Premium Tax Division (hereafter referred to as Tax Division) is responsible for the enforcement of all tax-related statutes of Title 22, the Louisiana Insurance Code. The major function of the Tax Division is the collection and classification of taxes and penalties from licensed insurance companies and surplus lines brokers. In addition, the Tax Division is responsible for the collection and classification of renewal license and filing fees for admitted and approved unauthorized insurers.

For the **calendar year** ending December 31, 2001, the Tax Division collected **\$93,133,594** in taxes from licensed insurers and **\$25,117,313** in taxes from surplus lines producers. The Tax Division is also responsible for compiling, sorting and distributing premium taxes to parishes and municipalities for tax reconciliation purposes. Also, the Tax Division regulates more than two hundred fifty (250) licensed surplus lines producers and routinely examines for compliance with the Louisiana Insurance Code.

## HISTORICAL DATA

The following schedules indicate an aggregate three-year historical data by category presented on a calendar-year basis.

TABLE 17

SURPLUS LINES INSURANCE PREMIUM TAX DIVISION 3-YEAR HISTORICAL INFORMATION BY CATEGORY CALENDAR YEAR PRESENTATION			
TOTAL LIFE, ACCIDENT & HEALTH COMPANIES (INCLUDING HMDI)			
Year	Gross Premiums	Gross Tax	Net Tax
1999	2,903,765,923	65,410,885	30,279,476
2000	3,019,150,815	68,017,070	29,330,630
2001	3,211,896,623	72,441,193	31,030,597
TOTAL FIRE & CASUALTY COMPANIES			
Year	Gross Premiums	Gross Tax	Net Tax
1999	4,818,246,775	144,269,585	43,598,344
2000	4,937,318,821	147,748,560	44,287,043
2001	5,330,082,065	159,677,029	59,099,170
HEALTH MAINTENANCE ORGANIZATIONS			
Year	Gross Premiums	Gross Tax	Net Tax
1999	950,645,321	21,391,190	1,069,826
2000	1,077,379,461	24,242,110	1,251,718
2001	1,132,516,250	25,482,480	1,274,257
TITLE COMPANIES			
Year	Gross Premiums	Gross Tax	Net Tax
1999	54,396,074	1,635,000	1,610,585
2000	49,050,732	1,474,200	1,457,052
2001	58,075,003	1,750,973	1,729,570
SURPLUS LINES BROKERS			
Year	Gross Premiums	Gross Tax	Net Tax
1999	310,611,777	15,530,589	15,530,589
2000	352,856,029	17,642,801	17,642,801
2001	502,346,254	25,117,313	25,117,313
TOTALS			
Year	Gross Premiums	Gross Tax	Net Tax
1999	9,037,665,870	248,237,249	92,088,820
2000	9,435,755,858	259,124,741	93,969,244
2001	10,234,916,195	284,468,988	118,250,907

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OFFICE OF LICENSING & COMPLIANCE

# OFFICE OF LICENSING & COMPLIANCE

The Office of Licensing & Compliance is made up of two (2) divisions:

- ◆ Licensing Division
  - Producer Licensing
  - Company Licensing
- ◆ Life & Annuity Division

## LICENSING DIVISION

### PRODUCER LICENSING

#### PURPOSE

Producer Licensing licenses insurance producers, managing general agents, reinsurance intermediary brokers and managers and surplus lines brokers as mandated by the insurance code. The division provides necessary information and forms to prospective applicants for licenses. This includes:

- ◆ Examination of applications to determine that applicants meet all requirements so that only honest and qualified persons are licensed to serve the public. Recommendations are made to approve applications or to disapprove them based upon such factors as criminal history, lawsuits, bankruptcy and disciplinary actions in this or other states.
- ◆ Distribution of forms, instructions and guidance to potential applicants.
- ◆ Response to inquiries from the public regarding the status of producers, managing general agents, reinsurance intermediary brokers and managers and surplus lines brokers.
- ◆ Oversight of the producer testing program.
- ◆ Assurance that prelicensing and continuing education courses contain appropriate information for instructional purposes.

## IMPLEMENTATION

- ◆ Monitoring all producers negotiating contracts of insurance to assure proper licensing and appointments by licensed insurers.
- ◆ Recording of regulatory actions against producers whose licenses have been revoked, suspended, fined or subject to other administrative action. This ensures that additional licenses and appointments will not be issued until such time as the licensee is eligible for reinstatement or renewal.
- ◆ Reviewing of examination questions, prelicensing and continuing education provider applications and course content to assure that licensees are well prepared and knowledgeable in insurance.
- ◆ Maintaining of producer databases for use by other state insurance departments, courts and law enforcement agencies. The databases are public record, available to consumers.

The statistical data in Table 18 provides information concerning the activities of Producer Licensing during the 2001-2002 fiscal year.

TABLE 18

ACTIVITIES OF PRODUCER LICENSING IN FY 01/02	
Resident Life, Health & Accident Licenses Issued	3,681
Non-Resident Life, Health & Accident Licenses Issued	4,526
Resident Property & Casualty Licenses Issued	2,061
Non-Resident Property & Casualty Licenses Issued	4,273
Company Appointments Processed	346,128
Life, Health & Accident Renewal Applications Processed	33,845
Number of Insurance Exams Monitored	6,566
Continuing Education Course Applications Approved	975
Telephone Calls Handled	86,685

## COMPANY LICENSING

### PURPOSE

Company Licensing coordinates the licensing of insurance companies and other entities that require licensing and/or registration as mandated by the insurance code. This includes:

- ◆ Distribution of forms, instructions and guidance to potential applicants.
- ◆ Response to inquiries from the public regarding the status of licensed and registered companies.
- ◆ Review of applications for completeness and advising the applicants of omitted or additional information required for completion.
- ◆ Coordination of the review of applications with other divisions in the department to ensure the fastest response possible and to minimize redundant requests for information.
- ◆ Recordation of changes to records of insurance companies such as corporate structure, name, additional lines of business, mergers and acquisitions, issuance of certificates of compliance, dissolution of domestic insurance companies and withdrawal of foreign insurance companies.

### IMPLEMENTATION

- ◆ Processing applications in a manner as timely and efficient as possible in order to provide citizens the widest selection possible of financially stable insurers from which to select coverage.
- ◆ Evaluating of the application process to make the process as uncomplicated as possible, while ensuring compliance with applicable insurance laws as they change and to adopt changes necessitated by the changing insurance industry.
- ◆ Evaluating of current statutes and suggestion of amendments to existing laws for the continued betterment of the overall process.
- ◆ Maintaining of databases for use by all divisions of the department. The records are available to courts and law enforcement agencies. The databases are public record, available to consumers to help them in making their insurance buying decisions.

**TABLE 19**

ACTIVITIES OF COMPANY LICENSING IN FY 01/02						
Function	No. Carried Over	No. Received	No. Approved	No. Disapproved	No. Withdrawn	No. Pending
DOMESTIC INSURERS						
Certificates of Authority (Initial)	0	0	0	0	0	0
Dissolutions	0	0	0	0	0	0
Acquisitions/Mergers	0	0	0	0	0	0
Regulation 66 Requests	4	110	97	1	6	10
FOREIGN/ALIEN INSURERS						
Certificates of Authority (Initial)	5	29	16	0	7	11
Surplus Lines Approvals (Initial)	1	4	5	0	0	0
Withdrawals	1	5	6	0	0	0
FOREIGN/DOMESTIC INSURERS						
TPA Applications	4	42	39	3	0	4
Risk Purchasing Group	5	5	10	0	0	0
Risk Retention Group	6	2	8	0	0	0
Viatical Settlement Broker	2	0	1	1	0	0
Viatical Settlement Provider	0	0	0	0	0	0
Security Registrations	0	2	2	0	0	0
MNRO/IRO Applications	65	13	73	1	1	3
Specialty Insurers	1	4	5	0	0	0

## LIFE & ANNUITY DIVISION

### PURPOSE

The Life and Annuity Division investigates consumer complaints involving underwriting, claim handling, policyholder services and marketing practices of life insurers and producers doing business in Louisiana. This division also reviews life, annuity and long-term care contract forms submitted by insurers for compliance with applicable statutes, rules and regulations. Additionally, the Life and Annuity Division provides information, advice and assistance to consumers and industry representatives by responding to inquiries, making public presentations and supplying informational pamphlets and brochures. This includes:

- ◆ Resolution of policyholder grievances regarding life insurance and annuity coverage and policyholder's legal rights.
- ◆ Enforcement of industry compliance with consumer protection regulations.
- ◆ Review of life insurance and annuity contract forms and long-term care contract forms for compliance with applicable statutory requirements.
- ◆ Education of the public about insurance coverage, legal rights and how to avoid future problems.

### IMPLEMENTATION

- ◆ Investigating complaints and other concerns in order to evaluate and properly dispose of violations of the Insurance Code, to obtain resolution of consumer disputes involving claims or refunds and disputes involving issuance or renewal of coverage and to rule out illegal marketing practices.
- ◆ Reviewing life insurance, annuity and long-term care contract form filings and approving or disapproving forms based on compliance or noncompliance with applicable statutes.
- ◆ Counseling, advising and providing information to consumers regarding insurance related matters in response to inquiries received by telephone, letter or in person.
- ◆ Disseminating consumer brochures, pamphlets, complaint statistics and providing experienced, knowledgeable speakers offering valuable information on insurance issues and products.



**TABLE 20**

ACTIVITIES OF THE LIFE & ANNUITY DIVISION IN FY 01/02	
Complaints Opened	517
Complaints Closed	598
Life & Annuity/Long-Term Care Policy Forms Received	7,350
Life & Annuity/Long-Term Care Policy Forms Approved	5,996
Life & Annuity/Long-Term Care Policy Forms Disapproved	619
Telephone Inquires Handled	12,598
Correspondence Completed	5,028
Funds Recovered on Behalf of Consumers	\$2,547,695

## ANNUAL CONSUMER COMPLAINT REPORT

### LIFE & ANNUITY DIVISION

*LA R.S.22§1219 Report by the Commissioner*

*The Commissioner of Insurance shall annually submit a report to the Senate and House of Representatives Committees on Insurance relative to complaints received and actions taken pursuant to the provisions of this Part. Such report shall contain information relative to the number of complaints received, and the disposition of same, the amount collected in penalties, the cost of all related proceedings, and such other information as the commissioner deems pertinent or the insurance committees shall request.*

Effective July 1, 1998, the former Office of Licensing & Market Compliance was reorganized to become the Office of Licensing & Compliance. Restructuring of the various divisions resulted in all health complaints being handled by the Office of Health Insurance.

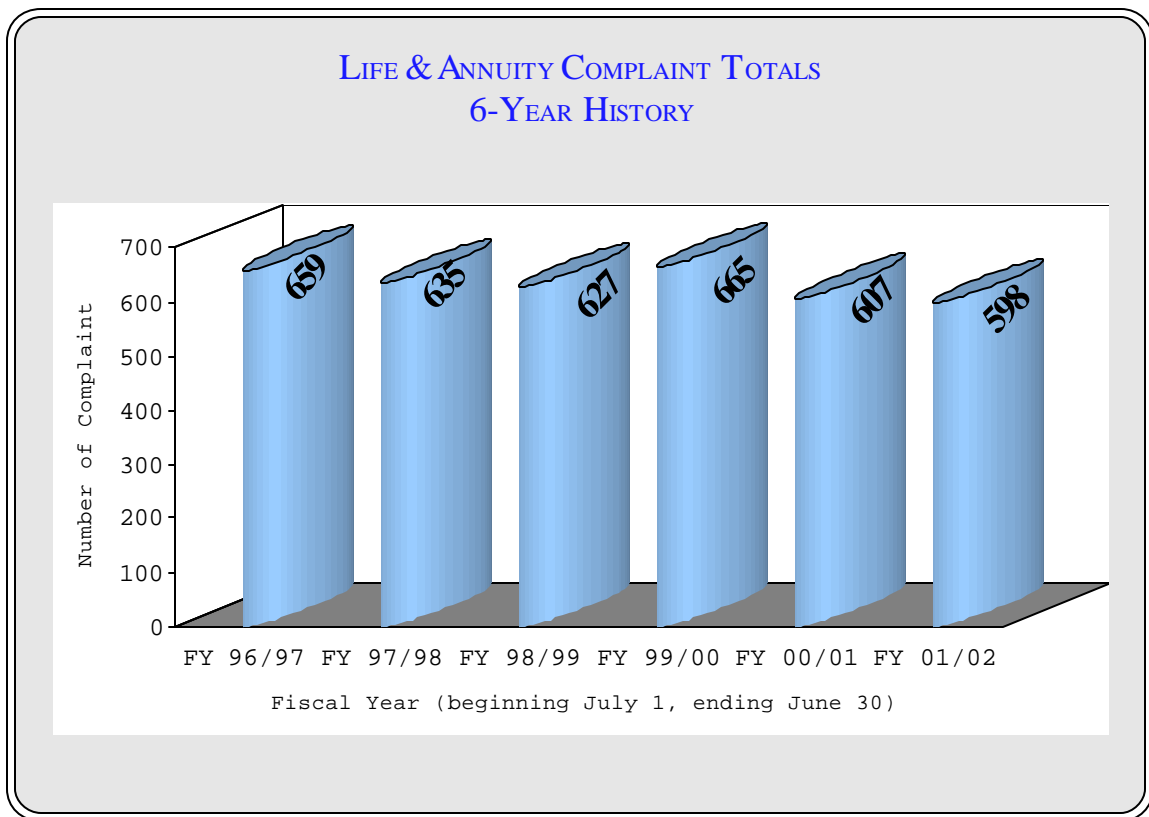
All life and annuity contract forms, plus long-term care contract forms, were retained within the Life and Annuity Division, with all other health contract forms being shifted to the Office of Health Insurance. Medicare supplement contract forms were transferred from the Life and Annuity Division to the Office of Health Insurance effective August 1, 1999.

Comparative figures for life and annuity complaints handled during the fiscal year 2001-2002 (FY 01/02) were extracted from the complaint database. In FY 01/02, the Life and Annuity Division completed processing of **five hundred ninety-eight (598)** life and annuity complaints, as compared to six hundred seven (607) during fiscal year 2000-2001. The efforts of this division during FY 01/02 resulted in reimbursements and claim settlements totaling **\$2,547,695** being realized by consumers. (See Table 21 on Page 54 for total complaints by coverage type.)

Chart 4 on the next page shows a six-year comparison of all life and annuity complaints.

ANNUAL CONSUMER REPORT

CHART 4



## ANNUAL CONSUMER REPORT

TABLE 21

LIFE & ANNUITY COMPLAINT STATISTICS REPORT TOTAL COMPLAINTS INVOLVING LIFE INSURANCE & ANNUITIES JULY 1, 2001 – JUNE 30, 2002				
Coverage Type	Total No. Filed	% Of Total	Closed	Open
601 Life/Individual	342	66.15	399	45
602 Life/Group	36	6.96	45	4
603 Life/Annuity	59	11.41	61	7
604 Life/Credit	19	3.67	20	5
605 Life/Industrial	12	2.32	13	1
606 Life/Accelerated Benefit	0	0	0	0
607 Variable Annuity	3	0.58	3	0
608 Variable Life	2	0.38	4	0
610 Burial	11	2.13	13	1
611 Viatical Settlement	2	0.38	4	0
612 Equity Indexed Annuity	0	0	3	0
613 Equity Indexed Life	0	0	0	0
614 Long-Term Care	24	4.64	24	1
623 Prospectus	0	0	0	0
624 Accident & Health/Conversion	0	0	0	0
628 Add'l Insured Endorsement	0	0	0	0
690 Life/Other	7	1.38	9	0
<b>Totals</b>	<b>517</b>	<b>100%</b>	<b>598</b>	<b>64</b>

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OFFICE OF HEALTH INSURANCE

# OFFICE OF HEALTH INSURANCE

The Office of Health Insurance consolidates the regulation of state and federal requirements applicable to commercial and government operated health benefit plans.

This office provides protection to Louisiana consumers, assures continued viability of health benefit plans and determines whether enhancements or modifications are necessary to assure continued compliance. There are currently four divisions in operation:

- ◆ Louisiana Health Care Commission
- ◆ Quality Management Division
- ◆ Senior Health Insurance Information Program
- ◆ Quality Assurance Division

## LOUISIANA HEALTH CARE COMMISSION

### LEGISLATIVE BACKGROUND

On July 14, 1992, the Governor signed into law Act 1068, creating the Louisiana Health Care Commission (L.R.S. 22§9). The Louisiana Health Care Commission (LHCC) is a forty-four (44) member advisory board that undertakes comprehensive review of complex health care issues facing Louisiana.

During the 1995 Regular Session of the Louisiana State Legislature, Act 594 revised and reenacted the authorizing legislation to expand the commission to thirty-eight (38) members and extend its work until June 30, 1999. During the 1997 Regular Session of the Louisiana State Legislature, Act 869 was adopted to increase the size of the commission to forty-three (43) members. Finally, during the 1999 Regular Session of the Louisiana State Legislature, Act 446 was passed, increasing the size of the commission to forty-four (44) members and transferring the Louisiana Health Care Commission to the Department of Insurance by L.R.S. 36§686 (B).

### PURPOSE

Through a broad perspective, the commission examines all policy developed by the Department of Insurance. The commission makes recommendations to the Commissioner of Insurance on all such policy, as well as makes recommendations for reform of the health care and health insurance systems in Louisiana, in order to make access to quality health care more affordable and available for its citizens.

The commission examines the rising costs of health care in the state, including but not limited to, the cost of administrative duplication, the costs associated with excess capacity and duplication of medical services, and the costs of medical malpractice and liability. The commission further examines the formation and implementation of insurance pools that better assure citizens the ability to obtain health insurance at affordable costs and encourage employers to obtain health care benefits for their employees by increased bargaining power and economies of scale for better coverage and benefit options at reduced costs. The commission also examines the implementation issues related to national health care reform initiatives.

The commission may conduct public hearings to receive testimony about the availability and affordability of health care in the state. The commission is permitted to receive further information and testimony from regional and national experts on health care access issues. The Commissioner of Insurance also submits an annual report to the State Legislature on the studies, actions and recommendations of the Louisiana Health Care Commission.

## MEMBERSHIP OF THE LOUISIANA HEALTH CARE COMMISSION

The Louisiana Health Care Commission is composed of a great variety of interests and health care experts, including health care insurers and providers, community leaders, as well as an assortment of consumer interests. Members are also from the governing boards of Louisiana's state colleges and universities, the Senate and House Insurance Committees and at-large appointments designated by the Commissioner of Insurance.

## MEETINGS AND SUBCOMMITTEES OF THE LOUISIANA HEALTH CARE COMMISSION

The Louisiana Health Care Commission conducted 10 public meetings during the fiscal year July 1, 2001, through June 30, 2002, at which time local and national health care experts gave presentations, studies were conducted and actions and recommendations of the commission were made.

During the September 28, 2001, meeting of the Louisiana Health Care Commission, its membership agreed to form three (3) subcommittees to conduct a more formal analysis of the key health issues currently facing Louisiana. These subcommittees are concentrating primarily on Louisiana's uninsured population and the rising cost of health care, health care costs and hospital utilization, prescription drugs and the impact of these costs on the uninsured as well as state and federal legislation and regulations. These subcommittees are:

- ◆ Subcommittee on Covering the Uninsured
- ◆ Subcommittee on Pharmaceutical Cost Issues
- ◆ Subcommittee on Legislation and Regulations

#### SUBCOMMITTEE ON COVERING THE UNINSURED

This subcommittee held its first meeting on November 9, 2001, and adopted the following mission statement:

*Study and define the magnitude of the problems of the uninsured in the State of Louisiana, identify drivers and propose solutions to the problems and make recommendations to the full Louisiana Health Care Commission for adoption.*

During nine meetings in this reporting period, the subcommittee developed a working document that included eleven drivers of the uninsured problem. This document was used by the subcommittee to work through the eleven drivers in a methodical process, which included the prioritization of each driver, a list of the contributing factors, the populations and organization impacted, possible solutions and any formal recommendations to the full commission.

This subcommittee continued its study in the fiscal year beginning July 1, 2002. Its actions and recommendations are outlined in the *Louisiana Health Care Commission Annual Report* to the State Legislature.

#### SUBCOMMITTEE ON PHARMACEUTICAL COST ISSUES

This subcommittee held its first meeting on May 1, 2002, and adopted the following mission statement:

*Study data and receive testimony regarding prescription drug prescribing standards, the rising costs of health care, patient outcomes and the uninsured.*

This subcommittee conducted four meetings in this reporting period. Its purpose was to discuss issues, study data, receive testimony and explore possible solutions regarding the rising costs of pharmaceutical drugs and the impact of pharmaceutical drug costs on the uninsured population.

This subcommittee continued its study in the fiscal year beginning July 1, 2002. Its actions and recommendations are outlined in the *Louisiana Health Care Commission Annual Report* to the State Legislature.

#### SUBCOMMITTEE ON LEGISLATION AND REGULATIONS

This subcommittee met on April 26, 2002, to develop some guiding principles that the Louisiana Health Care Commission would adopt relative to the health related legislative proposals in the 2002 Regular Session of the Louisiana State Legislature. The subcommittee made five recommendations to the full commission on May 15, 2002. The recommendations and actions of the Louisiana Health Care Commission are outlined in its annual report to the State Legislature.



OTHER KEY ISSUES ADDRESSED BY THE LOUISIANA HEALTH CARE COMMISSION  
DURING ITS 2001–2002 STUDY

In addition to the subcommittee issues studied and debated by the Louisiana Health Care Commission, the Commission also debated and made recommendations on the following health proposals and issues:

- ◆ The Patients Bill of Rights – Federal preemption of state law, mandates, patient appeal rights, expansion of liability and alternative purchasing arrangements
- ◆ The Congressional Economic Stimulus Package – Uninsured Individuals and Families
- ◆ The State Children’s Health Insurance Program (SCHIP) – Funding and Expansion
- ◆ Louisiana’s Medicaid Program – Medicaid Reimbursement.
- ◆ HB 507– Constitutional Amendment – “Budget Flexibility” – Funding of the public health care system and economic incentives for employers and employees

LOUISIANA DEPARTMENT OF INSURANCE ANNUAL HEALTH CONFERENCE

The Louisiana Department of Insurance in conjunction with the Louisiana Health Care Commission hosted its Seventh Annual Health Conference on October 15, 2002.

Through this annual public forum, the Louisiana Department of Insurance considers a cross section of perspectives on the health coverage issues facing our state and focuses on the development of solutions to complex problems in the field of health care. In conjunction with the work of the Louisiana Health Care Commission, this annual conference provides the focal point for assessing our success and maintaining our leadership position among the states in the health care coverage area.

## AGENDA FOR 2002-2003

The Health Care Commission's current agenda includes the completion and adoption of the working document, which is being used in its study to address those issues surrounding our health delivery system in Louisiana. The commission will also conduct a formal analysis of the various private health insurance options for covering the uninsured that have been implemented in other states as well as the various Medicaid waivers and SCHIP waivers that are available from the Centers for Medicare and Medicaid Services (CMS) and are being utilized by other states.

Despite expansion of Medicaid in recent years, Louisiana has one of the highest rates of uninsured in the nation. In addition, Louisiana has limited fiscal resources to commit to addressing this problem.

During the Louisiana Department of Insurance Seventh Annual Health Care Conference in October 2002, local and national experts discussed various approaches to reduce the state's high-uninsured rate. The Louisiana Health Care Commission will take many of these approaches into consideration during its discussion and debate.

While there is no single solution that would resolve this problem over night, the Louisiana Health Care Commission will make formal recommendations to the Commissioner of Insurance that will, hopefully, have a positive impact on our uninsured population in Louisiana.

The Louisiana Health Care Commission will continue its study of the correlation between health care costs, hospital utilization, prescription drugs and the impact of these costs on the uninsured. Studies have shown in recent years that hospital spending accounted for the largest share of increased health care costs, not prescription drugs. However, although pharmaceutical benefits are not necessarily the largest part of the rising costs in health care, they are rising at a much greater rate than hospital and physician care.

The commission will continue to monitor all federal and state legislation and regulations and make recommendations accordingly.

## QUALITY MANAGEMENT DIVISION

The Quality Management Division administers the operational functions of commercial and government operated health benefit plans in Louisiana, enforces state and federal laws pertaining to the Health Insurance Portability and Accountability Act (HIPAA) and performs annual surveys and audits to determine the appropriate amount of accident and health insurance premiums subject to HIPAA assessment. There are two units responsible for these duties:

- ◆ Plan Review & Evaluation Unit
- ◆ Policyholder & Provider Affairs Unit

### PLAN REVIEW & EVALUATION UNIT

#### PURPOSE

This unit performs detailed analysis and review of health benefit plan filings related to products proposed for marketing and issue to the public. Emphasis is placed upon:

- ◆ Compliance with all applicable state and federal laws, rules and regulations
- ◆ Prohibiting any inconsistent, ambiguous, or misleading language, text format
- ◆ Assuring that any exceptions and/or conditions affecting the risk are clearly stated and reasonable
- ◆ Determining that advertising and marketing plans are not deceptive

#### IMPLEMENTATION

##### Health Benefit Plan Filings:

- ◆ Approving, disapproving and/or withdrawing prior approval on health benefit plan filings
- ◆ Negotiating corrective action to assure that consumers negatively affected by outdated and improper policy forms are made whole
- ◆ Pursuing administrative sanction where necessary to protect the public
- ◆ Providing information and technical assistance to insurers, health maintenance organizations and plan administrators

## IMPLEMENTATION...

### Health Benefit Plan Filings...

- ◆ Development of general filing and certification requirements in order to provide guidance to the industry and improve the percentage of forms receiving approval of first time filings

### Health Product Discontinuations:

- ◆ Reviewing proposed notices of nonrenewal and the products to be non-renewed to assure that proper notice is provided to all parties in accordance with the requirements of law, or the terms and provisions of existing contracts, whichever is more favorable to the policyholders
- ◆ Monitoring all insurers exiting a market or markets in order to prohibit reentry for a period of five (5) years from the date the last coverage is nonrenewed

**TABLE 22**

ACTIVITIES OF PLAN REVIEW & EVALUATION POLICY FORMS, RATE FILINGS & ADVERTISING PIECES PROCESSED IN FY 01/02	
Total Policy Forms Received	5,601
Total Advertising Pieces Received	507
Total Rate Filings Received	1,074
Total Forms & Advertising Pieces Reviewed	7,891
Number Approved	3,942
Number Disapproved/Approval Withdrawn	3,729
Number Withdrawn by Company	220
Total Rate Filings Reviewed	1,155
Number Approved	1,034
Number Disapproved/Approval Withdrawn	116
Number Withdrawn by Company	5
Total Telephone Calls & Walk-ins Handled	1,900
Total Written Responses to Inquiries	1,544

TABLE 23

TOTAL NUMBER OF HEALTH FORM FILINGS RECEIVED BY COVERAGE TYPE – 3-YEAR HISTORY			
Comprehensive Coverage Types	Fiscal Year 1999 - 2000	Fiscal Year 2000 - 2001	Fiscal Year 2001 - 2002
Major Medical	398	322	222
HMO	80	54	26
Short-Term Major Medical	12	11	9
Limited Benefit Coverage Types			
Medicare Supplement/Select	472	436	393
Disability	169	202	162
Cancer/Dread Disease	73	106	73
Dental	95	79	59
Accidental Death & Dismemberment	36	64	79
Accident Only	45	52	105
Hospital Indemnity	57	47	86
Critical Illness	29	34	40
Stop-Loss/Excess	30	24	69
Vision	15	15	21
Credit Accident & Health	35	10	4
Prescription Drug	14	8	1
Miscellaneous	39	21	65
<b>Totals</b>	<b>1,599</b>	<b>1,506</b>	<b>1,414</b>

Explanation and definitions: A policy form “filing” includes one or more of the following “forms”:

- (1) Group Products -- Master policy with individual certificates, group application and enrollment forms.
- (2) Individual Products -- Individual contract and application.

Both types of products include endorsement or rider forms for optional benefits, schedule of benefit forms, sample ID cards, premium rates and classification of risks.

- (3) Medicare Supplement/Select filings also include advertising materials.

**TABLE 24**

TOTAL NUMBER OF HEALTH POLICY FORMS, MEDICARE SUPPLEMENT INSURANCE, ADVERTISING PIECES AND/OR RATE FILINGS PROCESSED IN FY 01/02	
<b>Comprehensive Coverage Types</b>	
Major Medical	1,066
HMO	158
Short-Term Major Medical	45
<b>Limited Benefit Coverage Types</b>	
Medicare Supplement/Select	1,851
Disability	896
Cancer/Dread Disease	279
Dental	318
Accidental Death & Dismemberment	471
Accident Only	772
Hospital Indemnity	376
Critical Illness	174
Stop-Loss/Excess	379
Vision	118
Credit Accident & Health	11
Prescription Drug	5
Miscellaneous	263
<b>Total</b>	<b>7,182</b>

Explanation and definitions: A policy form “filing” includes one or more of the following “forms”:

- (1) Group Products -- Master policy with individual certificates, group application and enrollment forms.
- (2) Individual Products -- Individual contract and application.

Both types of products include endorsement or rider forms for optional benefits, schedule of benefit forms, sample ID cards, premium rates and classification of risks.

- (3) Medicare Supplement/Select filings also include advertising materials.

## QUALITY MANAGEMENT DIVISION...

The Plan Review and Evaluation Unit is responsible for determining the amount of health insurance premiums subject to assessment pursuant to LSA-R.S. 22§250 (10). Only that portion of health insurance business subject to HIPAA regulation is assessable. Staff is able to confirm any premiums deemed “excepted” from assessment based upon the type of health insurance coverage written upon approved policy forms.

Health insurance premiums collected during calendar year 2001 that were subject to assessment totaled **\$1,973,637,815**. These premiums were assessed at .028 of 1%. A total of **\$552,619** has been collected from one hundred sixty-seven (167) insurers.

The Plan Review and Evaluation Unit is also in charge of verifying the manner in which health insurance issuers exercise the right to discontinue offering coverage in the various health insurance “markets” subject to HIPAA regulation. Short-term major medical and all forms of limited benefit products are excepted.

1. The LARGE GROUP MARKET consists of comprehensive health coverage sold to employer groups with more than 50 employees.
2. The SMALL GROUP MARKET is made up of comprehensive health coverage sold to employer groups with 2 to 50 employees.
3. The INDIVIDUAL MARKET includes employer groups with only one employee and all comprehensive health coverage sold to individuals, with or without dependents or to special groups without employer involvement (blanket policies).
4. The ASSOCIATION MARKET restricts eligibility for coverage to members of a bona fide association. Such comprehensive health coverage may be made available to individual members or to employees of employers that are members.

Health insurance issuers must furnish notices to individuals, plan sponsors and participants at least ninety (90) days prior to a particular type of product and, include an offer of replacement coverage on a guaranteed-issue basis.

Minimum notice of one hundred eighty (180) days is required prior to nonrenewal of all business within a market or markets. Issuers that choose to discontinue renewal of all coverage in one or more of the various markets are prohibited from reentering the affected market(s) for a period of five (5) years from the date the last coverage is nonrenewed.

TABLE 25

WITHDRAWALS FROM HEALTH INSURANCE MARKETS IN LOUISIANA JULY 1, 2001–JUNE 30, 2002					
Company Name	Market Type(s)	Affected Lives	Date of Notices	Date of Non-Renewal	Re-Enter Market Date
Aetna U.S. Healthcare	Small & Large Employer Group Markets	1,236 Plan Sponsors (68,791 Lives)	Jul-01-2001 (Replacement Coverage offered through Coventry)	Varies by Plan -- Dec-31-2001 to Aug-31-2002	Sept-01-2007
Bankers Life & Casualty Co.	Individual Market	135 Lives	May 23-2002	Nov 30-2002 to Jun -13-2003	Jun -14-2008
Conseco Life Insurance Co.	Individual Market	19 Certificates (32 Lives)	May -22-2002	Jan-01-2003	Jan-01-2008
Conseco Medical Insurance Co.	Small Employer Group Market	20 Plan Sponsors (44 Lives)	Jul-13-2001	Next monthly renewal on or after Jan-13-2002	Feb-01-2007
Conseco Medical Insurance Co.	Individual Market	174 Policyholders (364 Lives)	Mar-01-2002	First renewal on or after Sept-01-2002	Jan-01-2008
Golden Rule Insurance Co.	Individual & Small Employer Group Markets	4,050 Individual Policies/Certificates (8,500 Lives) 180 Plan Sponsors (300 Lives)	Oct-01-2002	First renewal on or after Mar-31-2002	Apr-01-2007
Legion Insurance Co. (Rehabilitation - PA)	Individual, Small & Large Employer Group Markets	2 Associations (Individual Mkt) 5 Small Group Plan Sponsors 1 Large Group Plan Sponsor (752 Lives)	Jun-15-2002	Jan-01-2003	Jan-01-2008
Life Investors Insurance Co. of America	Small & Large Employer Group Markets	2 Plan Sponsors (37 Lives)	Oct-01-2001	Varies by Plan	Nov-01-2007



**TABLE 25**

WITHDRAWALS FROM HEALTH INSURANCE MARKETS IN LOUISIANA JULY 1, 2001–JUNE 30, 2002					
Company Name	Market Type(s)	Affected Lives	Date of Notices	Date of Non-Renewal	Re-Enter Market Date
Oath for Louisiana (The)	Discontinue Individual Business/With Offer of Replacement Coverage	2,929 Individual Contracts (5,742 Lives)	Sept-28-2001	Jan-01-2002	N/A Company in Liquidation
Oath for Louisiana (The)	Individual Market	869 Individual Contracts (1,484 Lives)	May-01-2002	Pursuant to Rehabilitation Order (Apr-10-2002)	N/A Company in Liquidation
Pioneer Life Insurance Co.	Individual Market	7 Individual Policyholders (14 Lives)	Mar-01-2002	Feb-12-2003	Feb-12-2008
Protective Life Insurance Co.	Large Employer Group Market	1 Plan Sponsor (780 Employees)	Never sent – Voluntarily Terminated by Plan Sponsor	Jul-01-2001	Jul-01-2001
Sentry Select Insurance Co.	Small & Large Employer Group Markets	28 Plan Sponsors (426 Lives)	Jul-16-2001	First renewal on or after Mar-01-2002	Feb-01-2008
Shelter Life Insurance Co.	All Health Insurance Markets	No Plan Sponsors 12 Individual Policyholders	Aug-01-2001	First renewal on or after Mar-01-2002	Nov-01-2007
State Farm Mutual Auto Insurance Co.	Small Employer Group Market	5 Plan Sponsors 23 Covered Lives	Apr-01-2002	Oct-01-2002	Oct-01-2007
Washington National Insurance Co.	Individual Market	35 Policyholders (73 Lives)	Mar-01-2002	Sept-1-2002	Sept-01-2007

**TABLE 26**

GROUP HEALTH INSURANCE MARKET SHARE CALENDAR YEAR 2001	
Company Name	% Of Market
Blue Cross Blue Shield of Louisiana	33.88%
Ochsner Health Plan HMO	16.63%
United Healthcare HMO	11.51%
The Oath of Louisiana HMO	9.34%
Coventry HMO	7.17%
Aetna HMO	7.10%
HMO of Louisiana	5.37%
Health Plus HMO	3.81%
Aetna	2.49%
Amcare HMO	1.49%
Vantage HMO	1.22%
Principal	1.09%
New York Life	0.93%
State Farm	0.92%
Trustmark	0.85%
John Alden	0.54%
Tenet HMO	0.52%
United Wisconsin	0.51%

**TABLE 27**

INDIVIDUAL HEALTH INSURANCE MARKET SHARE CALENDAR YEAR 2001	
Company Name	% Of Market
Blue Cross Blue Shield of Louisiana	53.93%
HMO of Louisiana	15.36%
Ochsner Health Plan	7.25%
Golden Rule	4.93%
Physicians Mutual	3.21%
Fortis	2.92%
State Farm	2.21%
Mid-West National	1.32%
Mutual of Omaha	1.23%
Mega Life	0.99%
American National	0.72%
Continental General	0.70%
World	0.51%

## POLICYHOLDER & PROVIDER AFFAIRS

### PURPOSE

This unit provides direct assistance and protection to consumers and health care providers regarding benefits covered, timely and proper payment of claims and refunds, advertising, marketing, underwriting, changes in coverage, access to managed care providers and covered services, contractual terms and provisions and policyholder services. Emphasis is placed upon:

- ◆ Compliance with all applicable state and federal laws, rules and regulations
- ◆ Monitoring for unfair trade or unfair claims settlement practices
- ◆ Educating the public and health insurance industry regarding legal rights, obligations and requirements

### IMPLEMENTATION

- ◆ Detailed investigation of formal complaints involving health insurance underwriting, premium and rating, cancellation/non-renewal, discrimination, marketing practices, claims handling and policyholder services.
- ◆ Evaluate findings, recommend and oversee implementation of corrective actions.
- ◆ Determine violations of law and initiate disciplinary actions including suspension or revocation of authority or license, monetary fines, cease and desist orders, consent judgments, directives and withdrawal or denial of contract form approval.
- ◆ Provide clarification, direction, information and assistance in response to inquiries and concerns expressed by the public and industry.

Table 28 on the next page outlines the complaint investigation activities of the Policyholder and Provider Affairs Section during fiscal year 2001-2002.

**TABLE 28**

ACTIVITIES OF POLICYHOLDER & PROVIDER AFFAIRS COMPLAINT INVESTIGATIONS IN FY 01/02	
Complaint Investigations Received	1,937
Complaint Investigations Closed	2,113
Amount of Benefits & Refunds Recovered	\$2,999,765
Amount of Fines Levied for Failure to Respond to a Complaint	\$2,000
Number of Public Presentations Held	36
Number of Publications Distributed	2,077
Number of Telephone Calls Handled	32,315
Number of Face-to-Face Interviews Conducted	58
Number of Written Responses to Inquiries	1,496

## ANNUAL CONSUMER COMPLAINT REPORT

### OFFICE OF HEALTH INSURANCE

*LA R.S. 22§1219 Report by the Commissioner*

*The Commissioner of Insurance shall annually submit a report to the Senate and House of Representatives Committees on Insurance relative to complaints received and actions taken pursuant to the provisions of this Part. Such report shall contain information relative to the number of complaints received, and the disposition of same, the amount collected in penalties, the cost of all related proceedings, and such other information as the commissioner deems pertinent or the insurance committees shall request.*

Consumers continue to file fewer complaints with the Department of Insurance. The number of complaints received and investigated regarding health insurance and HMO plans during fiscal year 2001-2002 decreased by one hundred ninety-three (193) complaints from the prior fiscal year. HMO plans received 39.2% of the total number of complaints filed, compared to 21.3% for major medical indemnity plans and 15% for self-funded employee welfare benefit plans. This is representative of the larger market share held by Health Maintenance Organizations.

The primary reasons given for filing complaints involve claims handling disputes such as delays, denials and insufficient amount of benefits paid. Our compliance examiners were able to resolve the vast majority of such complaints in favor of complainants, resulting in **\$2,999,765 recovered for consumers** in benefits and refunds.

The following statistical reports will demonstrate complaint activities involving the various types of health insurance.

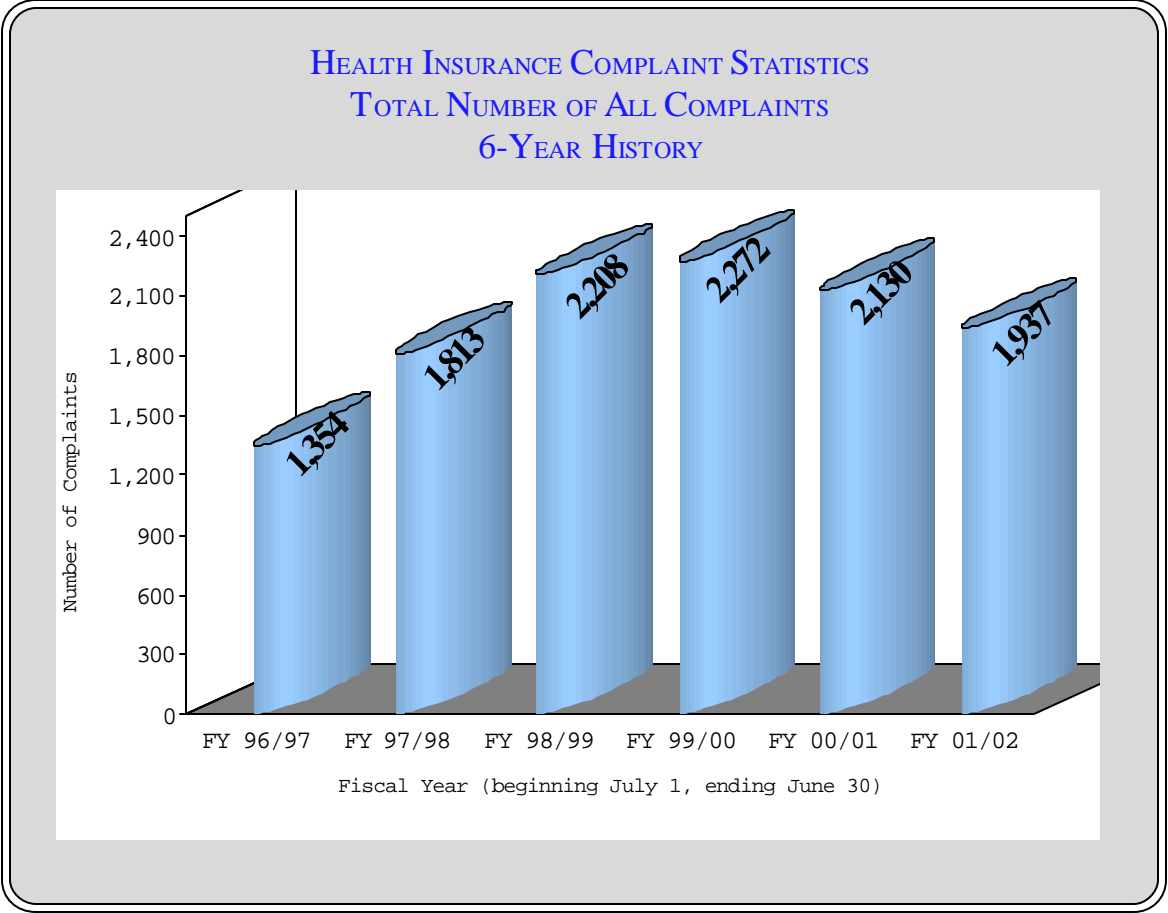
## ANNUAL CONSUMER COMPLAINT REPORT

TABLE 29

POLICYHOLDER & PROVIDER AFFAIRS COMPLAINT STATISTICS REPORT JULY 1, 2001–JUNE 30, 2002		
Coverage Type	Total Filed	% Of Total
HMO	759	39.2%
Self-Funded EWPB	290	15.0%
Individual Major Medical	215	11.1%
Group Major Medical	198	10.2%
Medicare HMO	139	7.2%
Medicare Supplement/Select	49	2.5%
Disability	82	4.2%
State Employees Group Benefits Program	49	2.5%
Cancer/Dread Disease	49	2.5%
Dental Only	29	1.5%
Hospital Indemnity	13	0.7%
Accident Only	9	0.5%
Stop Loss/Excess	4	0.2%
Credit Accident & Health	2	0.1%
All Other	6	0.3%
<b>Totals</b>	<b>1,937</b>	<b>100%</b>

ANNUAL CONSUMER COMPLAINT REPORT

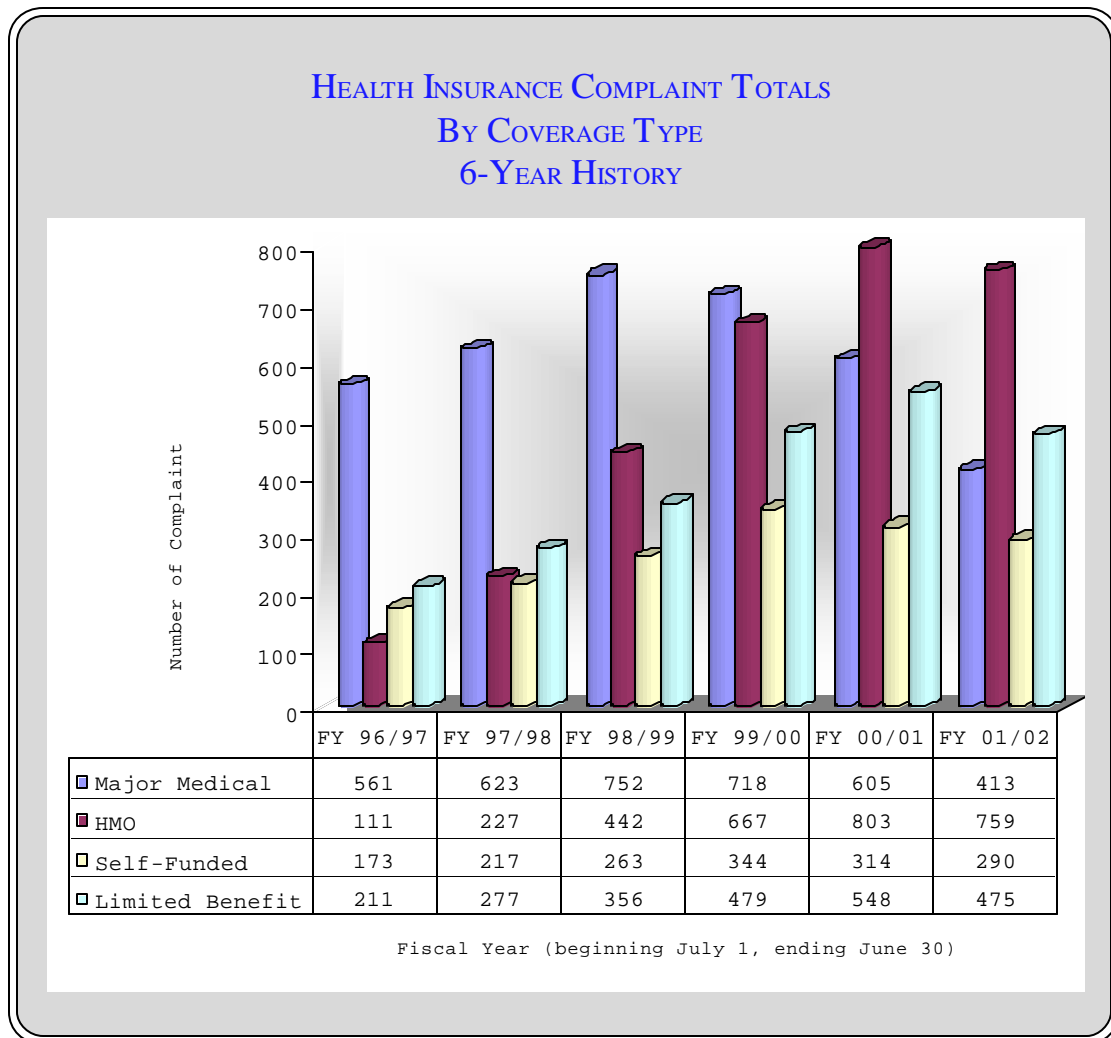
CHART 5





## ANNUAL CONSUMER COMPLAINT REPORT

CHART 6



Major Medical -- Group & Individual

Health Maintenance Organization -- Group & Individual

Self-Funded -- Single Employer sponsored Employee Welfare Benefit Plans

Limited Benefit Plans -- Medicare Supplement/Select, Disability, Credit Accident & Health,  
Cancer/Dread Disease, Dental, Hospital Indemnity, Accident Only, etc.

## ANNUAL CONSUMER COMPLAINT REPORT

**TABLE 30**

PRIMARY REASONS FOR CONSUMER HEALTH INSURANCE COMPLAINTS FILED IN FY 01/02	
Complaint Reason	No. Received
Claim Handling Delays	659
Claim Denials	563
Insufficient Benefit Payment	269
Premium Rating	122
Access To Care	24
Refunds	59
Cancellation / Non-Renewal	42
Refuse to Insure	14
Medical Necessity	32
Agent Handling	14
Coordination of Benefits	13
All Others*	126

\* "All Others" involves fewer than 10 complaints per disposition.

## ANNUAL CONSUMER COMPLAINT REPORT

**TABLE 31**

TOP COMPLAINT DISPOSITIONS REACHED FOR HEALTH INSURANCE COMPLAINTS CLOSED IN FY 01/02	
Disposition	No. Closed
Claim Settled	863
Company Position Upheld	527
No Jurisdiction	221
Additional Benefit Payment	114
Question of Fact/Law	93
Refund Issued	46
Insufficient Information Provided	16
Policy Issued	11
Coverage Extended	10
All Others*	121

\* "All Others" involves fewer than 10 complaints per disposition.

## ANNUAL CONSUMER COMPLAINT REPORT

TABLE 32

HEALTH MAINTENANCE ORGANIZATIONS CONSUMER & PROVIDER COMPLAINTS IN FY 01/02		
Rank	Name of HMO	No. of Complaints
1	The Oath for Louisiana, Inc.* (Liquidation)	203
2	Ochsner Health Plan, Inc.	184
3	United Healthcare of Louisiana, Inc.	166
4	Coventry Health Care of Louisiana, Inc.	101
5	HMO of Louisiana, Inc.	34
6	Amcare Health Plan of Louisiana * (Rehabilitation)	33
7	Aetna US Healthcare, Inc. **	28
8	Health Plus of Louisiana, Inc.	4
9	CIGNA Healthcare of Louisiana, Inc. **	3
10	Vantage Health Plan, Inc.	2
X	Remaining complaints involve out-of-state HMOs	2
<b>Total</b>		<b>760</b>

\* These complaints involve the runoff business of HMOs that are no longer active.

\*\* These HMOs have discontinued offering coverage and have provided the required minimum one hundred twenty (120) day notices of non-renewal to all plan sponsors and participants.

## ANNUAL CONSUMER COMPLAINT REPORT

TABLE 33

MAJOR MEDICAL INSURANCE CONSUMER & PROVIDER COMPLAINTS IN FY 01/02		
Rank	Name of Insurance Company	No. of Complaints
1	Blue Cross Blue Shield of Louisiana, Inc.	140
2	Aetna Life Insurance Company	22
3	Trustmark Insurance Company	16
4	Continental General Insurance Company	15
5	Physicians Mutual Insurance Company	14
6	United Wisconsin Life Insurance Company	12
7	Golden Rule Insurance Company	11
8	Fortis Insurance Company	10
8	Mid-West National Life Insurance Company	10
9	United Healthcare Insurance Company	9
10	Provident American Life & Health Insurance Company	8
11	American National Insurance Company of Texas	6
11	Freedom Life Insurance Company of America	6
11	Provident Indemnity Life Insurance Company	6
11	Reliance Insurance Company	6
12	Connecticut General Life Insurance Company	5
12	Guaranty Trust Life Insurance Company	5
12	Prudential Insurance Company of America	5
12	World Insurance Company	5
X	Remaining companies received less than 5 complaints per company	98
<b>Total</b>		<b>409</b>

Note: An additional 339 complaints were received and investigated involving self-funded Employee Welfare Benefit Plans (EWBP). This number includes 49 complaints received against the State Employees Group Benefits Program.

## SENIOR HEALTH INSURANCE INFORMATION PROGRAM (SHIIP)

In addition to the other services offered consumers, specialized services are available to senior citizens and Medicare beneficiaries through the Senior Health Insurance Information Program (SHIIP). SHIIP recruits and trains counselors on a statewide basis about Medicare, Medicare Supplement (Medigap), Medicare Plus Choice Organizations, Long-Term Care insurance and other types of health insurance. The counselors, in turn, provide helpful information to senior citizens.

The health insurance counseling program is a volunteer education and protection program that is reliant upon a network of sponsoring organizations across the state, primarily Councils on Aging and Area Agencies on Aging. Prior to establishment of the ICA grants program, insurance counseling, claims filing assistance and the provision of information of Medicare and Medicaid were not available on a statewide basis to over 600,000 Medicare beneficiaries.

**TABLE 34**

STATISTICAL SUMMARY OF ASSISTANCE PROVIDED TO SENIOR CITIZENS BY THE SHIIP PROGRAM & VOLUNTEER COUNSELORS IN FY 01/02	
Number of Hours Used by Volunteer Counselors	2,893
Number of Individuals Assisted by Counselors	11,689
Amount of Savings to Individuals Counseled	\$1,090,388
Number of Publications Disseminated	64,613
Presentations Given	156
Number of Individuals in Attendance at Presentations	6,467
Number of Initial and Follow-up Trainings	14

## QUALITY ASSURANCE DIVISION

### PURPOSE

The Quality Assurance Division's responsibility is to assure quality compliance by Medical Necessity Review Organizations (MNRO) and health insurance issuers in accordance with Chapter 7 and Part VI-D of Chapter 1 of the Louisiana Insurance Code.

The Louisiana Legislature passed Act 401 in 1999, mandating the authorization or licensure of entities making medical necessity determinations as Medical Necessity Review Organizations. This law also provides for uniform standards for such organizations, so that all health plans follow the same standards in resolving disputes. Additionally, internal and external grievance procedures have been established to appeal adverse medical necessity determinations.

Additionally, in 1999 the Louisiana Legislature passed HB 2052, Act 1017, which establishes procedures and time frames for the payment of health services by both HMOs and health insurance plans. Louisiana's Timely Payment of Claims legislation has since been deemed a national model for other states by the National Conference of State Legislatures. The Quality Assurance Division began handling activities regarding the timely payment of health insurance claims during fiscal year 2001-2002.

The mission of the Quality Assurance Division is to establish procedures for continuous review of quality care, performance of providers and the utilization of health services. Included in these measures are assessments, fines, and grounds for revocation or suspension of licensure for MNROs and health insurance issuers not in full compliance with the law. The Division of Quality Assurance is committed to fairly and efficiently regulating the quality of health care coverage for the citizens of Louisiana and will continue to set standards that will accomplish this goal.

### APPLICATIONS/LICENSURE

Any applicant for licensure must submit an application to the Commissioner on a form designated by the Department of Insurance and accompanied by any supporting documentation required by the Commissioner.

Health insurance issuers are not required to pay the licensing fee; however, any entity other than a health insurance issuer applying for licensure must pay an initial licensure fee as specified in Section 6211(D) of Regulation 77. The Quality Assurance Division continues to receive and review MNRO applications and make recommendations for licensure.

## PROCESS FOR APPROVAL OF MNRO LICENSE/AUTHORIZATION

Once the staff receives an application, the following process must be completed before a license or authorization can be given:

- ◆ Original application is sent to Company Licensing to review for completeness. If additional information is needed, a letter goes out to the applicant from that division. The applicant is given a certain time frame in which to send the additional information.
- ◆ After Licensing receives appropriate information, a copy of the application is forwarded to Quality Assurance Division and the Insurance Fraud Section for review. Two examiners in the QA division review the application. If additional information is needed, this information, along with any information Fraud requires, is forwarded to Company Licensing, and a letter is sent to the applicant. The applicant is given a certain time frame in which to send the additional information.
- ◆ Once information is received and is deemed an appropriate response by the Quality Assurance Division, a memorandum is sent from the Director of Quality Assurance to the Licensing Division, recommending approval of the application.
- ◆ After reviewing Quality Assurance's recommendation and Fraud's recommendation, the Licensing Division will route the application to heads of Licensing, Insurance Fraud, Health Insurance, Legal and Management & Finance.
- ◆ When the application is routed to the Office of Health Insurance for approval, the signature of the Deputy Commissioner or Assistant Commissioner of the Office of Health Insurance is required in this phase of the final routing process.

Once the Quality Assurance Division staff and appropriate parties review and approve the application, the actual licensing of a MNRO or authorization of a health insurance issuer as an MNRO, is granted through the Company Licensing Division.



## ANNUAL REPORTS

In the third quarter of fiscal year 2001-2002, the Quality Assurance Division began reviewing annual reports submitted by MNROs, as required by L. R.S. 22§3075 (B).

TABLE 35

ACTIVITIES OF QUALITY ASSURANCE DIVISION APPLICATIONS/ANNUAL REPORTS REVIEWED IN FY 01/02	
Total Applications/Annual Reports Received	100
Total Applications/Annual Reports Processed*	129
Number of Applications/Annual Reports Approved by QA Division	123
Number of Applications Withdrawn that were Pending in QA	4
Number of Applications Disapproved that were Pending in QA	2
Total Applications Pending QA Final Action	2
Number of Requests for Additional Information	33
Total Telephone Calls Handled	596
Total Correspondence Generated (letter, e-mails, faxes)	506
Total Interviews/Presentations Conducted	9

\*Total PROCESSED reflects the number of applications approved or disapproved by QA or withdrawn or disapproved by Company Licensing.

Withdrawals and Disapprovals by Company Licensing that have not been reviewed by QA are NOT counted in this total.

## COMPLAINTS

During fiscal year 2001-2002, the Quality Assurance Division began processing complaints concerning medical necessity and timely payment of claims, in addition to reviewing MNRO applications.

**TABLE 36**

ACTIVITIES OF QUALITY ASSURANCE DIVISION COMPLAINT INVESTIGATIONS REVIEWED IN FY 01/02	
Total Complaints Received	231
Total Complaints Concluded	286
Total Complaints in Progress	246
Total Benefits & Refunds Recovered	\$459,621
Total Interest Payments	\$16,099
Total Fines Levied	\$250
Workshops/Presentations Conducted	3
Total Publications Distributed	94
Total Telephone Calls Handled	1,593
Face-to-Face Interviews	1
Responses to Inquiries	75

## LOOKING AHEAD

As we move forward past initial phases of implementation, the Quality Assurance Division continues to work towards the goal of assuring compliance by all MNROs and health insurance issuers with the newly enacted Chapter 7 and Part VI-D of Chapter 1 of the Insurance Code.

MNROs and health insurance issuers found not in full compliance with the provisions of Act 401 and Act 1017 may be assessed a monetary penalty by the Commissioner of Insurance and/or face suspension or revocation of the health insurance issuer's certificate of authority or the license of the MNRO to operate in Louisiana.

Following this year's initial application and licensure phase, the Quality Assurance Division prepares for the following phases in the upcoming fiscal years.

## RENEWALS

Pursuant to L.R.S.22§3074, MNROs are required to renew their license every two years, therefore renewals will occur initially in fiscal year 2002-2003 (beginning July 1, 2002). The renewal application required by the Commissioner shall include but need not be limited to the information required for an initial application. Therefore, the Quality Assurance Division will use the same approval process for renewal applications.

## EXAMINATIONS

The Department of Insurance is authorized to make examinations of licensed Medical Necessity Review Organizations within three years. Therefore, examinations of MNROs will commence during FY 03/04 (fiscal year beginning July 1, 2003, ending June 30, 2004).

2001-2002 ANNUAL REPORT  
OF THE  
COMMISSIONER OF INSURANCE

OFFICE OF MINORITY AFFAIRS

# OFFICE OF MINORITY AFFAIRS

*LA R.S.22§1921(5) Report by the Office of Minority Affairs*

*To submit an annual report by April first of each year to the House and Senate Insurance Committees relative to educational and informational services made available to minorities, the number and types of inquiries and all available relevant information from applicants and producers.*

## LEGISLATIVE BACKGROUND

In 1984, the Governor signed into law Act 850 creating the Office of Minority Affairs (R.S. 22§1921 and 22§1922). This Act is the regulatory umbrella to assure “Equal Opportunity In Insurance” for the citizens of Louisiana.

In 1992 and 1993, the Louisiana State Legislature, Acts 377 and 380, revised and reenacted the authorizing legislation to expand the scope and duties of the Office of Minority Affairs and its board of directors — the Advisory Committee on Equal Opportunity. The importance and impact on the business of insurance that is affected by the Office of Minority Affairs is outlined below.

## PURPOSE

The purpose of the Office of Minority Affairs is to assist small, minority and disadvantaged insurance agencies and producers by providing educational and informational services to foster a greater awareness of the opportunities available in the insurance industry, as well as, the skill, training and education necessary to prepare for opportunities in employment, appointment as producers and contracting for services with insurance companies. Emphasis is placed on:

- ◆ Conducting surveys every two (2) years to document statistical information concerning the number of minorities employed in industry related professional level jobs with the goal of expanding the number of small, minority and disadvantaged persons in the insurance industry.
- ◆ Training programs for small, disadvantaged and minority agencies and producers.
- ◆ Increasing insurance information services to small and disadvantaged groups.
- ◆ Increasing number of contracts for small, minority and disadvantaged producers with emphasis on life and health.
- ◆ Publishing a quarterly minority and disadvantaged producer newsletter.

## IMPLEMENTATION

- ◆ Updating agency information questionnaires and conducting surveys to locate more small, minority and disadvantaged producers.
- ◆ Launching an new web site, "Minority Employment Information Center," to recruit more minority producers, underwriters and insurance industry employees.
- ◆ Acquiring more standard contracts for minority producers with standard companies.
- ◆ Conducting training programs for minority and disadvantage producers to provide them with knowledge on various topics of the insurance and business fields.
- ◆ Working continuously with university personnel to add new courses to the *Beginner Insurance Curriculum*.
- ◆ Working to increase the number of minorities and other disadvantaged groups receiving current insurance information through personal visits, seminars, conferences, meetings, job fairs, quarterly newsletter, etc.

## MEMBERSHIP OF THE ADVISORY COMMITTEE ON EQUAL OPPORTUNITY

The Advisory Committee on Equal Opportunity is composed of fifteen (15) members representing a diverse cross section of experts from the insurance industry, universities, and trade and professional associations, both state and national.

These distinguished members are responsible for assisting small and disadvantaged producers throughout the state in receiving contracts. They closely monitor discrimination and unfair trade practices on the part of insurance companies and contract employees. Another charge of the Advisory Committee on Equal Opportunity is to assist in creating and promoting educational programs for producers and minorities to better understand the business of insurance.

## HIGHLIGHTS OF 2001-2002

- ◆ The Department of Insurance sent out its updated survey to all companies licensed in the state of Louisiana. Approximately 70 percent of the companies responded.
- ◆ The first minority affairs quarterly newsletter was sent out to small, minority and disadvantaged producers throughout the state.
- ◆ The new employment information center was added to our web site. We currently have nineteen (19) companies and agencies in Louisiana that have agreed to post their vacant positions on our web site.

## AGENDA 2002-2003

- ◆ Expand producer and consumer education and informational services to include: Hispanic, Chinese, Vietnamese and Native American communities.
- ◆ Publish the quarterly newsletter for minorities and other ethnic groups.
- ◆ Hold regular meetings with minorities and other ethnic group leaders to better serve the insurance needs of culturally diversified communities.
- ◆ Continue promoting prelicensing and continuing education courses for insurance producers at Southern University in New Orleans, and to work toward offering this series of courses at Grambling in Ruston and Southern University in Baton Rouge in the near future.
- ◆ Create additional educational training and training programs to assist small, minority and disadvantaged producers and persons in the insurance industry with obtaining contacts and employment in the insurance industry.

**TABLE 37**

ACTIVITIES OF THE OFFICE OF MINORITY AFFAIRS IN FY 01/02	
Small Agents/Agencies Assisted	60
Consumer/Producer Complaints/General Information	33
Complaints Referred to Advisory Committee	1
Trainings Conducted	2
Committee Meetings Attended	16
Special Meetings	22
Conferences	15
Job Fair	8
Special Projects (Surveys)	5

## COMPANY SURVEY RESULTS

The Office of Minority Affairs sent out the *2002 Louisiana Department of Insurance Company Survey* to all companies licensed in the state of Louisiana. Approximately 70 percent of the companies responded.

Tables 38 and 39 and Chart 7 on the following pages give a snapshot of the results of the company survey focusing on two (2) key categories of employment by ethnic background:

- ◆ Producer/Agent Categories
- ◆ Job Categories



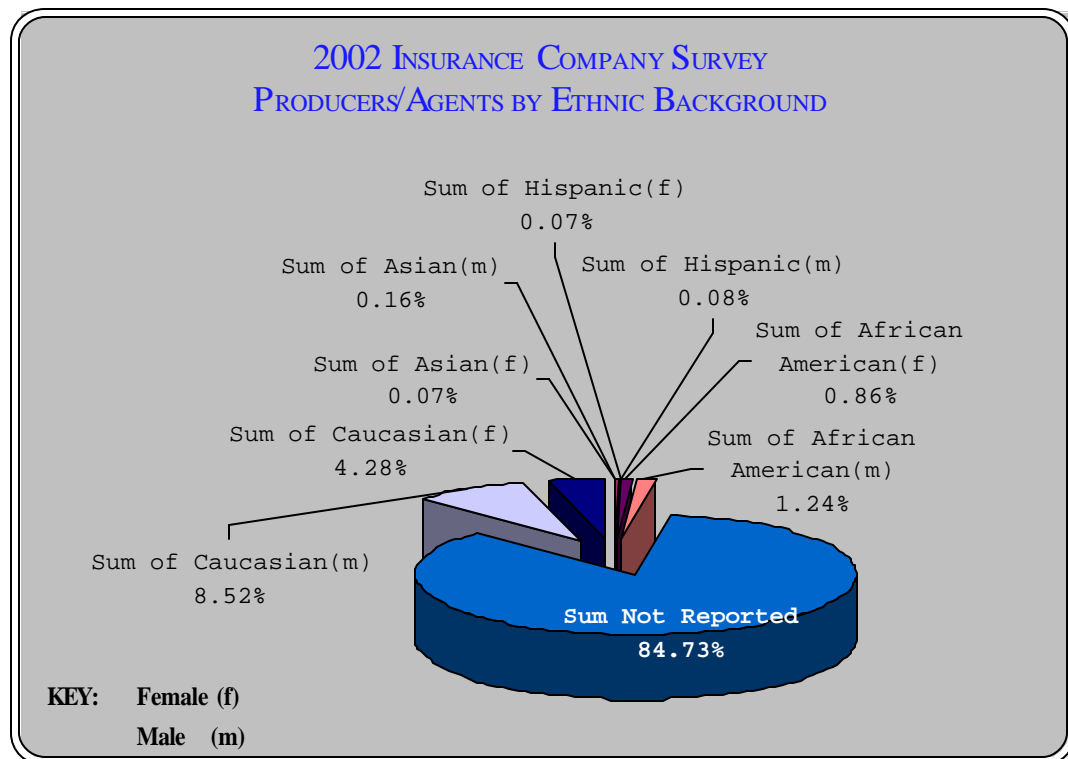
TABLE 38

2002 INSURANCE COMPANY SURVEY PRODUCER/AGENT EMPLOYMENT BY ETHNIC BACKGROUND			
Ethnic Background	Male	Female	Total Reported
Caucasian	1,503	755	2,258
African American	225	177	402
Hispanic	14	12	26
Asian	28	12	40
Native American	0	0	0
<b>Totals</b>	<b>1,770</b>	<b>956</b>	<b>2,726</b>
Not Reported			15,818

TABLE 39

2002 COMPANY SURVEY JOB CATEGORIES BY ETHNIC BACKGROUND										
	Caucasian		African American		Hispanic		Asian		Native American	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
Doctors (HMO)	7	2	1	0	0	0	0	0	0	0
Attorney	52	18	4	4	1	2	1	0	1	0
Actuary	4	7	2	0	1	0	1	0	0	0
Adjuster/Claims Examiner	148	189	35	74	6	8	3	1	2	0
Accountant	22	43	3	7	1	7	0	1	0	0
Loss Control/Safety	27	13	1	3	0	0	0	0	0	0
Customer Service	111	470	15	148	5	9	2	6	0	3
Underwriter	16	96	4	12	1	4	0	1	0	1
Department Manager	158	127	17	32	4	5	0	2	2	0
Regional Manager	31	10	0	1	1	0	0	0	1	0
State/District Manager	41	5	3	3	4	0	1	0	0	0
Producer/Marketing	212	229	22	38	5	1	1	0	1	0
<b>Totals</b>	<b>829</b>	<b>1,209</b>	<b>107</b>	<b>322</b>	<b>29</b>	<b>36</b>	<b>9</b>	<b>11</b>	<b>7</b>	<b>4</b>

CHART 7



2001-2002 ANNUAL REPORT  
OF THE  
COMMISSIONER OF INSURANCE

OFFICE OF RECEIVERSHIP

# OFFICE OF RECEIVERSHIP

The mission of the Office of Receivership is to administer the estates of insolvent insurers efficiently and cost effectively. The goal of the Office of Receivership is to minimize the impact of insolvency to the taxpayers, policyholders and creditors of these insurers in Louisiana.

Pursuant to Part XVI of the Louisiana Insurance Code and under the jurisdiction of the State Courts, the Office of Receivership seeks to maximize insolvent insurer assets and distribute them according to the priority set in law. The Office of Receivership works with the Louisiana Insurance Guaranty Association and the Louisiana Life & Health Insurance Guaranty Association to assure that eligible claims against insolvent insurers are honored to the fullest extent permitted by law.

At the close of fiscal year 2001-2002, nineteen (19) domestic insurers and three (3) foreign insurers in ancillary receivership were open and under the administration of the Office of Receivership. The total amount of cash marshaled for open estates amounted to **\$155,654,348** while an additional **\$2,610,264** was marshaled in closed estates.

Tables 40-42 list insurance companies in receivership by:

- ◆ Ancillary Estates Open at June 30, 2002
- ◆ Estates Closed During Fiscal Year Ending June 30, 2002
- ◆ Estates Open at June 30, 2002

**TABLE 40**

INSURANCE COMPANIES IN RECEIVERSHIP ANCILLARY PROCEEDINGS OPEN AT JUNE 30, 2002		
Name of Estate	Domicile State	Status
Interstate Guaranty	Georgia	Open
AmWest Surety Insurance Company	Nebraska	Open
FarWest Insurance Company	Nebraska	Open

**TABLE 41**

INSURANCE COMPANIES IN RECEIVERSHIP ESTATES CLOSED DURING FY 01/02	
Name of Estate	Estate Closure Date
Liberty Lloyds	October 10, 2001

**TABLE 42**

INSURANCE COMPANIES IN RECEIVERSHIP ESTATES OPEN AT JUNE 30, 2002
Alliance Casualty
ANA
Blooming Life Insurance Company
Car Insurance Company (includes AFS)
Cascade Insurance Company
Colonial Lloyds
First Colombia
Gulf Coast Casualty
Independence Life
Lloyds Assurance
Midwest Life
National Affiliated Investors Life Insurance Company
North American Indemnity
The Oath for Louisiana
Physicians National Risk Retention Group
Public Investors Life
Savant Insurance Company
Superior Life
United Agents Insurance Company

2001-2002 ANNUAL REPORT OF THE  
COMMISSIONER OF INSURANCE

APPENDICES

APPENDIX A: EXPLANATION OF TERMS

APPENDIX B: PROPERTY & CASUALTY  
INSURANCE

APPENDIX C: LIFE, ACCIDENT & HEALTH  
INSURANCE

APPENDIX D: GROUP SELF-INSURANCE  
FUNDS

APPENDIX E: HEALTH MAINTENANCE  
ORGANIZATIONS

APPENDIX F: TITLE INSURANCE

APPENDIX G: FRATERNAL INSURANCE

# APPENDIX A

## EXPLANATION OF TERMS

The following tables show gross direct premium writings in Louisiana, on a **calendar year basis**, for all insurers segregated by line of business, as categorized in the 2001 Annual Statement. These categories do not provide information about specific insurance coverages or classes of insureds. The data contained hereafter may conflict with other areas of the Annual Report due to the treatment of some premiums as nontaxable. Following is a brief description of terms used throughout the appendices.

### GENERAL TERMS

**Direct:** is the term used to describe insurance transactions between the consumer and the insurance company before or without regard to reinsurance transactions among insurance companies.

**Domestic:** refers to an insurer formed under the laws of the state of Louisiana.

**Foreign:** refers to an insurer formed under the laws of any other state or territory of the United States or the District of Columbia.

**Loss Ratio:** equals losses incurred divided by premiums earned. This is the best accounting representation of the portion of each premium dollar that has been needed to honor the company's promise to pay claims.

**Losses Incurred:** equals losses paid, plus a year-end estimate of future payments for all current and prior year claims, minus the losses incurred estimate for the preceding year. If these estimates were to be exactly correct, then losses incurred would be the actual cost of all claims on coverage provided during the current year. However, incurred losses reported also includes estimated amounts unpaid for Incurred-But-Not-Reported (IBNR) claims.

**Market Share:** is the ratio of direct premiums written by a company to the total direct premiums written by all companies writing that line of business.

**Premium Earned:** is constructed from premiums written this year and in previous years, and in some instances, premiums to be written in the future for current coverages. It is approximately the pro-rata portion of the premium charged for each policy, for the portion of coverage provided, within the calendar year.

**Premium Written:** is usually defined as premiums billed by property and casualty companies. Rules of life insurance accounting require reporting premiums actually collected.

## APPENDIX A -- EXPLANATION OF TERMS..

### LINES OF BUSINESS (IN ORDER OF APPEARANCE)...

**Fire:** is written to protect the insured for losses caused by fire and lightning.

**Allied Lines:** is frequently written with property insurance such as sprinkler and water damage, windstorm, tornado, and hail. Includes Multiple Peril Crop.

**Farmowners' Multiple Peril:** provides property and casualty protection for farms or ranches for both business and personal losses.

**Homeowners' Multiple Peril:** provides homeowners a broad spectrum of non-liability and liability coverages.

**Commercial Multiple Peril:** provides commercial establishments with a broad spectrum of non-liability and liability coverages.

**Mortgage Guaranty Insurance:** indemnifies a lender from loss if a borrower fails to meet required mortgage payments.

**Ocean Marine:** provides coverage for ocean and inland water transportation exposures; goods or cargo; ships or hulls; earnings; and liability.

**Inland Marine:** provides specialty property coverages relating to articles that may be transported from one place to another as well as bridges, tunnels, and certain instrumentalities of communication.

**Financial Guaranty:** is coverage whereby the insurer generally guarantees the principal and interest payments on a corporate or governmental bond issue.

**Medical Malpractice:** provides coverage protecting a licensed health care provider or health care facility against legal liability resulting from the death or injury of any person due to the insured's misconduct, negligence, or incompetence, in rendering professional services.

**Earthquake:** provides coverage for property losses resulting from a sudden trembling or shaking of the earth, including that caused by volcanic eruption. Excluded are losses resulting from fire, explosion, flood or tidal wave following the covered event.

**Group Accident and Health:** is a medical and hospitalization insurance plan under which a number of persons and their dependents are insured under a single policy issued to their employer or a common entity.



## APPENDIX A -- EXPLANATION OF TERMS..

### LINES OF BUSINESS (IN ORDER OF APPEARANCE)...

**Credit Accident and Health Coverage:** pays certain debt payments (usually car or home loans) in the event of sickness.

**Other Accident and Health Coverage:** usually issued to individuals, that pays benefits for health care, loss of income or for accidental injury or death.

**Workers' Compensation:** covers an employer's liability for injuries, disability or death to persons in their employment, without regard to fault, as prescribed by Federal workers' compensation laws and other statutes.

**Other Liability Coverage:** protects the insured against legal liability resulting from negligence, carelessness, or a failure to act causing property damage or personal injury to others. Can include: General Liability; Umbrella Liability; Professional Liability; Contractor, Construction and Landlord Liability; and Environmental Liability.

**Products Liability Coverage:** protects manufacturers, merchants, and distributors against financial loss arising out of legal liability for losses or injury incurred from use of a covered product.

**Auto Liability Coverage:** protects the insured against financial loss because of legal liability for automobile related injuries or damage to the property of others caused by accidents arising out of ownership, maintenance or use of a motor vehicle.

**Auto Physical Damage:** provides coverage for damage to or loss of policyholder's own automobile arising from collision, theft, fire, or vandalism.

**Aircraft:** provides coverage for aircraft (hull) and their contents; aircraft owner's and aircraft manufacturers liability to passengers, airports and other third parties.

**Fidelity Coverage:** provides reimbursement to an employer for losses arising from dishonest or fraudulent acts of employees.

**Surety Coverage:** provides monetary compensation to a third party if the policyholder fails to perform specified acts within a defined time period.

**Burglary and Theft Coverage:** provides for reimbursement to the policyholder for losses due to burglary, robbery, or other forms of larceny.

**Boiler and Machinery Coverage:** provides for losses arising from the operation of pressure, mechanical, and electrical equipment. Covered losses include damage to the boiler itself, other property damage and business interruption.

## APPENDIX A -- EXPLANATION OF TERMS..

### LINES OF BUSINESS (IN ORDER OF APPEARANCE)...

**Credit Coverage:** which indemnifies manufacturers, merchants, or other providers of goods and services extending credit, for losses or damages resulting from the nonpayment of debts owed to them for goods or services provided in the normal course of their business.

**Aggregate Write-Ins:** includes coverages not generally described above (e.g., Involuntary Unemployment Insurance, Automobile Warranty, etc.).

**Life Insurance:** provides protection against the death of an individual in the form of payment to a beneficiary – usually a family member, business, or institution.

**Annuity:** is a contract of insurance that pays a monthly (or quarterly, semiannual, or annual) income benefit for the life of a person, or persons.

**Industrial Insurance:** relates to modest amounts of coverage, usually less than \$1,000, sold on a debit basis.

**Credit Life:** is a coverage which pays certain debt payments (usually car or home loans) in the event of the debtor's death.

**Fraternal Insurer:** is an incorporated society, order, or supreme lodge conducted solely for the benefit of its members and their beneficiaries and not for profit, operated on a lodge system with ritualistic form of work, having a representative form of government.

**Health Maintenance Organizations (HMOs):** are insurers which provide or arrange for the provision of basic health care services to enrollees in return for a prepaid charge.

**Title Insurance:** insures or indemnifies owners of, or other persons lawfully interested in, immovable property against loss or damage arising from defects, liens or encumbrances on the insured title.

**Self-Insurance Plan:** is any contract, plan, trust, arrangement, or other agreement which is established or maintained to offer or provide health care services, indemnification, or payment for health care services, or health and accident benefits to employees of two or more employers, but which is not fully insured. An arrangement shall be deemed "fully insured" only if said benefits are guaranteed under a policy of health insurance issued by an insurer authorized to transact business in Louisiana.

## APPENDIX B

### PROPERTY & CASUALTY INSURANCE

# PROPERTY & CASUALTY INSURERS EXHIBIT OF PREMIUMS & LOSSES BUSINESS IN LOUISIANA DURING THE YEAR 2001

	Line of Business	Direct Premium Written	Direct Premium Earned	Dividends Paid On Direct Business	Direct Unearned Premium Reserve	Direct Losses Paid	Direct Losses Incurred
01	Fire	129,308,639	15,765,426	36,124	55,648,930	53,036,375	42,212,547
02.1	Allied Lines	91,774,622	82,364,540	45,942	4,154,074	53,692,810	67,529,197
02.2	Multiple Peril Crop	37,502,389	37,506,051	-	78,398	29,133,917	33,632,829
02.3	Federal Flood	127,954,586	124,986,580	-	65,775,850	89,800,669	93,168,979
03	Farmowners Multiple Peril	6,394,801	6,272,715	-	2,923,839	2,890,790	3,816,778
04	Homeowners Multiple Peril	676,445,439	651,390,990	1,107,533	347,253,986	434,738,145	406,467,533
05.1	Commercial Multiple Peril (Non-Liability)	184,034,497	177,440,483	26,689	87,458,201	103,367,079	123,119,566
05.2	Commercial Multiple Peril (Liability)	127,557,072	122,058,876	11,742	57,285,669	73,342,467	78,062,763
06	Mortgage Guaranty	37,200,223	37,268,865	-	3,832,735	5,156,236	10,014,026
08	Ocean Marine	106,688,965	99,345,231	15,293	44,679,792	79,650,998	83,819,035
09	Inland Marine	176,609,501	164,656,697	72,681	79,935,833	63,710,007	60,942,557
10	Financial Guaranty	8,604,409	10,479,988	-	95,535,906	-	(292,526)
11	Medical Malpractice	85,498,309	81,999,816	75,334	36,005,531	36,373,735	33,545,338
12	Earthquake	3,877,936	3,093,549	1,729	2,024,175	4,243	360,107
13	Group Accident and Health	54,176,110	55,045,830	-	(2,905,562)	43,331,091	41,186,263
14	Credit Accident and Health	18,034,631	18,215,732	-	2,095,615	2,411,250	1,794,789
15.1	Collectively Renewable Accident and Health	4,982	9,822	-	36,462	-	(1974)
15.2	Non-Cancelable Accident and Health	5,874	14,333	-	120,278	13,861	15,295
15.3	Guaranteed Renewable Accident and Health	16,657,191	15,129,968	-	8,192,197	12,478,937	12,501,768
15.4	Non-Renewable Accident and Health	8,603,458	8,939,874	1,008	2,798,982	8,213,200	8,142,585
15.5	Other Accident Only	597,830	625,908	-	105,640	527,417	374,872
15.6	All Other Accident and Health	8,537,878	8,162,102	-	1890,493	3,476,389	329,737
15.7	Program	38,264,330	38,264,330	-	-	38,594,029	39,556,726
16	Workers' Compensation	539,549,391	521,321,826	3,734,155	116,017,674	339,342,738	331,456,327
17	Other Liability	41,939,642	39,186,902	130,063	180,737,005	308,675,261	246,616,416
18	Products Liability	25,289,114	24,689,902	(3,106)	9,122,111	25,891,266	44,975,126
19.1	Private Passenger Auto No-Fault	(581)	(582)	-	1	479,280	(186,732)
19.2	Private Passenger Auto Liability	1,275,720,954	1,266,931,757	2,046,277	37,170,313	1,000,526,341	1,070,863,503
19.3	Commercial Auto No-Fault	28,249	8,882	-	23,184	360,464	399,760
19.4	Commercial Auto Liability	340,980,652	311,585,001	58,226	117,923,257	287,406,265	319,221,877
21.1	Private Passenger Auto Physical Damage	939,887,985	935,534,861	151,789	276,710,651	656,780,693	656,358,152
21.2	Commercial Auto Physical Damage	95,575,395	91,716,153	144,681	44,945,606	52,190,388	51,023,640
22	Aircraft (All Perils)	27,533,319	25,862,498	-	7,298,129	14,263,039	18,178,277
23	Fidelity	8,505,388	8,348,970	74	5,200,836	3,727,701	6,832,163
24	Surety	52,794,899	49,546,977	28,903	23,532,266	30,941,376	39,500,192
26	Burglary and Theft	133,1730	1235,177	37	703,928	181,022	357,084
27	Boiler and Machinery	13,170,600	12,871,480	-	5,786,250	7,247,536	4,128,946
28	Credit	4,059,752	2,841,267	-	1315,360	1073,748	2,956,033
31	Aggregate Write-Ins, Other Lines of Business	63,436,245	56,085,113	-	39,704,478	37,473,069	33,850,933
32	Totals	5,744,136,398	5,559,486,875	9,051,278	2,163,036,973	3,900,503,814	3,966,882,487

Caution: The information contained on this page is unaudited and not a complete financial analysis nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.  
Data Source: Property & Casualty Annual Statement Page 24 (State Page) for all companies writing business in Louisiana.

# PROPERTY & CASUALTY INSURERS EXHIBIT OF PREMIUMS & LOSSES BUSINESS IN LOUISIANA DURING THE YEAR 2001

Line of Business		Direct Losses		Direct Allocated		Direct		Direct		Commissions &		Taxes,
		Unpaid	LAC Paid	Allocated LAE	Allocated LAE	Unpaid	Unpaid	Brokerage	Licenses, &	Expenses	Fees	
01	Fire	22,070,411	1,028,431	518,587	12,94,578	16,678,279	3,641,941					
02.1	Allied Lines	56,516,569	1,446,917	16,70,738	1,760,511	11,734,956	2,380,250					
02.2	Multiple Peril Crop	18,526,502	18,899	18,338	440	1,372,518	202,271					
02.3	Federal Flood	5,116,005	2,173,027	2,213,653	77,874	15,205,840	3,364,477					
03	Farmowners Multiple Peril	3,023,987	192,121	286,600	536,182	907,141	274,596					
04	Homeowners Multiple Peril	156,919,236	13,728,282	13,576,352	24,701,086	82,818,575	27,375,323					
05.1	Commercial Multiple Peril (Non-Liability)	97,591,008	7,053,176	9,563,034	13,586,013	29,304,021	7,632,476					
05.2	Commercial Multiple Peril (Liability)	240,217,845	27,725,714	32,557,434	78,916,527	214,052,229	4,974,730					
06	Mortgage Guaranty	48,855,917	77,535	112,536	370,533	77,531	1584,175					
08	Ocean Marine	145,654,549	10,002,918	9,335,692	12,205,908	18,142,740	3,386,405					
09	Inland Marine	48,776,036	1,931,784	2,806,839	4,063,313	37,189,293	4,703,888					
10	Financial Guaranty	553,941	1,388	363	31,355	-	375,536					
11	Medical Malpractice	206,939,956	30,275,519	34,651,962	104,424,522	5,667,641	1,669,174					
12	Earthquake	588,234	-	(12,548)	10,842	509,987	12,1940					
13	Group Accident and Health	39,994,890	2,255,522	2,145,137	456,328	5,245,771	916,716					
14	Credit Accident and Health	2,543,422	3,993	92,335	93,190	8,381,085	366,093					
15.1	Collectively Renewable Accident and Health	3,773	-	-	-	15	195					
15.2	Non-Cancelable Accident and Health	2,942	-	-	-	-	-					
15.3	Guaranteed Renewable Accident and Health	6,361,289	71,884	34,293	72,455	3,102,587	465,280					
15.4	Non-Renewable Accident and Health	5,460,484	132,026	130,929	87,826	748,935	263,021					
15.5	Other Accident Only	654,270	11,192	12,862	9,054	199,227	23,668					
15.6	All Other Accident and Health	9,574,976	768,223	849,615	568,877	14,34,765	274,072					
15.7	Federal Employees Health Benefits Program	5,536,284	-	-	-	3,302	1,854					
16	Workers' Compensation	1,561,193,615	32,468,874	29,034,770	117,566,242	44,982,292	45,859,529					
17	Other Liability	10,478,822,638	97,165,299	75,731,009	275,259,393	62,301,929	8,702,573					
18	Products Liability	144,535,066	17,859,623	17,171,546	55,996,325	3,397,888	1,308,677					
19.1	Private Passenger Auto No-Fault	2,772,696	94,770	(169)	183,482	658	279					
19.2	Private Passenger Auto Liability	986,633,679	99,742,434	114,028,389	202,925,203	103,860,672	33,379,659					
19.3	Commercial Auto No-Fault	705,257	10,159	13,923	24,566	9,256	1,503					
19.4	Commercial Auto Liability	484,083,677	42,975,661	42,693,616	58,976,799	49,546,534	9,390,512					
21.1	Private Passenger Auto Physical Damage	57,834,333	6,496,674	6,924,596	4,063,185	76,773,707	24,262,513					
21.2	Commercial Auto Physical Damage	13,911,477	2,955,854	2,830,932	1,177,013	13,716,284	3,104,147					
22	Aircraft (All Perils)	25,267,425	1,904,285	2,247,784	4,030,023	4,111,388	789,907					
23	Fidelity	9,681,110	106,652	(45,827)	880,255	104,944	300,168					
24	Surety	38,494,511	(5,653,671)	(6,422,137)	4,298,370	13,139,229	2,063,500					
26	Burglary and Theft	604,937	8,791	(2,777)	30,399	193,699	44,576					
27	Boiler and Machinery	8,583,628	129,680	250,582	299,412	1,217,729	40,435					
28	Credit	2,494,259	23,580	23,322	7,716	1,320,771	105,404					
31	Aggregate Write-Ins, Other Lines of Business	123,317,293	2,064,680	2,112,175	8,198,845	9,281,154	1,340,412					
32	Totals	5,629,478,117	397,251,873	397,156,474	977,184,594	645,032,066	194,691,876					

Cautions: The information contained on this page is unaudited and not a complete financial analysis nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.  
Data Source: Property & Casualty Annual Statement Page 24 (State Page) for all companies writing business in Louisiana.

# APPENDIX C

## LIFE, ACCIDENT & HEALTH INSURANCE

LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS  
BUSINESS IN LOUISIANA DURING 2001

<b>Life Insurance</b>						
<b>Direct Premiums and Annuity Considerations</b>						
	ORDINARY	CREDIT LIFE	GROUP	INDUSTRIAL	TOTAL	
1. Life Insurance	1246,080,424	69,698,272	277,028,415	26,896,596	16,19,703,708	
2. Annuity Considerations	1,389,984,459	-	634,867,981	-	2,024,852,440	
3. Deposit-Type Contract Funds	29,726,987	-	121,979,910	-	151,706,897	
4. Other Considerations	459,416,223	XXX	30,1067,979	XXX	760,484,202	
5. Totals	3,125,208,093	69,698,272	1,334,944,286	26,896,596	4,556,747,238	
<b>Direct Dividends to Policyholders</b>						
<b>Life Insurance</b>						
6.1 Paid in Cash or Left on Deposit	35,235,347	163,040	10,754	342,911	35,852,052	
6.2 Applied to Pay Renewal Premiums	23,856,101	-	3,574,416	404	27,430,921	
6.3 Applied to Provide Paid-Up Additions or Shorten the Endowment or Premium-Paying Agent	130,565,671	-	450,204	1,564,092	132,579,969	
6.4 Other	695,491	-	-	-	695,491	
6.5 Total Life	190,352,611	163,040	4,135,374	1,907,407	196,558,431	
<b>Annuities</b>						
7.1 Paid in Cash or Left on Deposit	6,545,845	-	155,249	-	6,701,095	
7.2 Applies to Provide Paid-Up Annuities	1,144,490	-	4,761	-	1,149,251	
7.3 Other	16,667,173	-	663,598	-	17,330,771	
7.4 Total Annuities	24,357,509	-	823,608	-	25,181,117	
8. Grand Totals	214,710,119	163,040	4,958,982	1,907,407	221,739,547	
<b>Direct Claims and Benefits Paid</b>						
9. Death Benefits	527,827,281	21,570,020	220,638,002	19,986,572	790,021,871	
10. Matured Endowments	4,474,417	-	4,658	738,547	5,217,622	
11. Annuity Benefits	319,086,129	-	236,646,869	12,566	555,745,561	
12. Surrender Values and Withdrawals for Life	1,151,921,449	64,173	526,064,485	3,728,235	1,681,778,340	
13. Aggregate Write-Ins for Miscellaneous Direct Claims and Benefits Paid	502,092,3	-	118,680	9,482	5,149,085	
14. All Other Benefits, Except Accident and Health	11,692,525	596,462	45,173,528	85,158	57,547,672	
15. Totals	2,020,022,716	22,230,655	1,028,646,217	24,560,561	3,095,460,152	

Caution: This page is unaudited and may contain inadvertent errors.  
Data Source: Life Annual Statement Page 29 (State Page) for all companies writing business in Louisiana.

# LIFE INSURERS EXHIBIT OF PREMIUMS AND BENEFITS BUSINESS IN LOUISIANA DURING 2001

Life Insurance												
Direct Death Benefits and Matured Endowments Incurred			ORDINARY		CREDIT LIFE		GROUP		INDUSTRIAL		TOTAL	
			No.	Amount	No.	Amount	No.	Amount	No.	Amount	No.	Amount
16.	Unpaid December 31, Prior Year	4,391	73,441,846	423	3,073,297		2,764	32,722,689	4,608	2,726,203	11,576	11,964,032
17.	Incurred During Current Year	39,946	524,658,701	4,381	23,318,157		13,214	248,514,001	27,099	20,915,593	84,639	87,406,450
Settled During Current Year												
18.1	By Payment in Full	39,864	518,886,269	4,307	22,688,746		13,161	245,023,833	28,264	20,200,507	85,596	806,799,354
18.2	By Payment on Compromised Claims	37	3,281,377	-	-		32	425,836	-	814,121	69	4,521,334
18.3	Totals Paid	39,901	522,167,646	4,307	22,688,746		13,193	245,449,669	28,264	21,014,628	85,665	811,320,688
18.4	Reduction by Compromise	19	259,893	-	-		20	385,246	-	-	39	645,139
18.5	Amount Rejected	77	3,023,574	6	778,977		60	1209,943	-	-	143	5,012,494
18.6	Total Settlements	39,997	525,451,113	4,313	23,467,723		13,273	247,044,858	28,264	21,014,628	85,847	816,978,321
19.	Unpaid December 31, Current Year	4,340	72,649,430	491	2,923,731		2,095	34,191,835	3,443	2,627,165	10,369	112,392,164
Policy Exhibit												
20.	In Force December 31, Prior Year	2,692,703	136,717,639,741	1,287,032	4,797,478,542		6,102	55,901,942,924	19,16,556	1,161,281,381	5,957,392	198,578,342,586
21.	Issued During Year	349,377	22,516,298,819	708,696	3,380,785,382		13,657	10,417,873,509	1,294	1,965,262	1,073,025	36,316,922,972
22.	Other Changes to In-Force (Net)	(74,566)	(14,179,919,492)	(898,714)	(3,568,342,249)		(18,534)	6,394,070,934	(87,253)	(68,198,747)	(1,179,068)	(114,223,379,555)
23.	In Force December 31, Current Year	2,867,514	145,054,019,065	1,097,014	4,609,921,673		56,225	72,718,887,367	18,30,597	1,095,057,896	5,851,351	223,472,886,004

Accident and Health Insurance									
		DIRECT PREMIUM S	DIRECT PREMIUM EARNED	DIVIDENDS ON DIRECT BUSINESS	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED			
24	Group Policies	1,044,599,310	10,19,257,926	723,829	852,594,442	868,952,123			
24.1	Federal Employees Health Benefits Program	180,842,635	180,611,312	-	168,945,561	168,491,751			
24.2	Credit (Group and Individual)	47,065,605	46,149,644	-	19,100,028	18,467,699			
24.3	Collectively Renewable Policies	4,451,836	3,966,988	-	2,447,302	1,969,162			
Other Individual Policies									
25.1	Non-cancellable	57,340,507	58,401,074	406,694	45,454,203	57,503,963			
25.2	Guaranteed renewable	275,883,799	273,264,488	40,069	157,862,673	165,140,945			
25.3	Non-renewable for stated reasons only	2,189,692	2,166,272	8,607	18,475,867	17,636,134			
25.4	Other Accident only	3,763,684	3,707,632	-	801,140	884,875			
25.5	All other	199,162,821	195,964,484	383	142,260,768	143,657,518			
25.6	Totals	558,047,503	552,999,750	455,753	364,854,651	384,823,435			
26.	Totals	1,835,006,889	1,802,985,620	1,179,582	1,408,021,984	1,442,704,170			

Caution: This page is unaudited and may contain inadvertent errors.  
Data Source: Life Annual Statement Page 29 (State Page) for all companies writing business in Louisiana.



# APPENDIX D

## GROUP SELF-INSURANCE FUNDS

STATE OF LOUISIANA  
GROUP SELF-INSURANCE PREMIUM WRITTEN  
BUSINESS WRITTEN DURING 2001

Fund Name	Premium Written
Louisiana United Business Association SIF <sup>(e)</sup>	34,125,244
Louisiana Commerce & Trade Association SIF <sup>(e)</sup>	17,771,285
Louisiana Restaurant Association SIF <sup>(e)</sup>	15,813,630
Louisiana Homebuilders Association SIF <sup>(a)</sup>	14,158,854
Employers' Self-Insurers Fund <sup>(c)</sup>	7,210,075
Louisiana Automobile Dealers Association SIF <sup>(e)</sup>	7,167,637
Louisiana Health Care Self Insurance Fund <sup>(e)</sup>	6,770,594
LAC Self-Insured Fund (Cotton) <sup>(e)</sup>	5,746,092
Louisiana Safety Association of Timberman SIF <sup>(e)</sup>	5,661,119
Police Jury Association of Louisiana <sup>(e)</sup>	4,482,787
Louisiana Municipal Risk Management Agency <sup>(e)</sup>	3,585,987
Louisiana Hospital Association Workers' Compensation SIF <sup>(e)</sup>	2,637,021
Sugar Cane Safety Group SIF <sup>(a)</sup>	2,057,287
Louisiana Rural Parish Insurance Cooperative <sup>(e)</sup>	1,648,282
Louisiana Loggers Self-Insured Fund <sup>(e)</sup>	1,464,747
Louisiana Housing Council Authorities Group SIF <sup>(d)</sup>	664,522
Louisiana Association of Clerks of Court Risk Mgt Agency <sup>(b)</sup>	291,854
<b>Total</b>	<b>131,257,017</b>

Caution: The information contained on this page is unaudited and not a complete financial analysis, nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.

Data Source: Audited Financial Statements for ALL SIFs writing workers' compensation business in Louisiana.

- (a) As of March 31, 2001
- (b) As of June 30, 2001
- (c) As of July 31, 2001
- (d) As of September 30, 2001
- (e) As of December 31, 2001

# APPENDIX E

## HEALTH MAINTENANCE ORGANIZATIONS

# HEALTH MAINTENANCE ORGANIZATIONS EXHIBIT OF PREMIUMS & LOSSES BUSINESS IN LOUISIANA DURING CALENDAR YEAR 2001

NAIC#	Company Name	Total Members	Direct Premium Written	Market Share	Cumulative Market Share	Direct Premium Earned	Direct Losses Incurred	Loss Ratio
95642	Ochsner Health Plan	184,644	561,612,187	39.76%	39.76%	556,004,357	491,210,401	88.35%
95833	United Healthcare of Louisiana, Inc.	87,232	200,434,137	14.19%	53.95%	196,181,262	168,952,202	86.12%
95690	Tenet Choice, Inc.	26,784	144,139,370	10.20%	64.15%	139,287,542	118,559,131	85.12%
95643	HMO of Louisiana	78,011	142,267,925	10.07%	74.22%	137,656,996	109,013,610	79.19%
95002	Aetna Health Plan of Louisiana, Inc.	54,791	122,082,796	8.64%	82.86%	120,360,208	122,281,865	101.60%
95173	Coventry Health Care of Louisiana, Inc.	59,529	128,281,245	9.08%	91.94%	118,100,234	105,407,977	89.25%
95009	Health Plus of Louisiana, Inc.	32,554	65,033,936	4.60%	96.55%	64,573,540	60,049,962	92.99%
95577	Ancare Health Plans of Louisiana	19,094	25,260,478	1.79%	98.34%	25,157,179	24,758,907	98.42%
95584	Vantage Health Plan, Inc.	9,792	19,966,056	1.41%	99.75%	20,269,306	16,382,963	80.83%
95600	Cigna Healthcare of Louisiana, Inc.	158	3,543,898	0.25%	100.00%	813,390	722,673	88.85%
<b>Totals</b>		<b>552,589</b>	<b>1,412,622,028</b>	<b>100.00%</b>	<b>N/A</b>	<b>1,378,404,014</b>	<b>1,217,339,691</b>	<b>88.32%</b>

Caution: The information contained on this page is unaudited and not a complete financial analysis nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.  
Data Source: Health Annual Statement, Exhibit of Premiums, Enrollment and Utilization (by state), for all companies writing business in Louisiana.

# APPENDIX F

## TITLE INSURANCE

**TITLE INSURANCE EXHIBIT OF PREMIUMS & LOSSES  
BUSINESS IN LOUISIANA DURING CALENDAR YEAR 2001**

NAIC#	COMPANY NAME	DOMICLE	DIRECT PREMIUM WRITTEN				DIRECT LOSSES			
			DIRECT OPERATIONS	NON-AFFILIATED AGENCIES	AFFILIATED AGENCIES	OTHER INCOME	DIRECT PREMIUM EARNED	DIRECT LOSSES PAID	DIRECT LOSSES INCURRED	DIRECT LOSSES UNPAID
50598	Alamo Title Insurance	TX	-	-	-	-	2,625	-	-	-
51535	American Pioneer Title Insurance Co	FL	-	859,547	-	-	772,649	81,957	88,066	3,000
50229	Chicago Title Insurance Co	MO	2,568	3,476,087	1,855,689	(52,833)	5,415,176	233,085	215,864	127,116
50083	Commonwealth Land Title Insurance Co	PA	-	11,865,280	-	(2,535)	11,623,796	315,286	612,112	517,838
51586	Fidelity National Title Insurance Co	CA	-	(490)	-	-	17,344	22,540	17,532	46,128
51071	Fidelity National Title Insurance Co NY	NY	-	1,273,117	-	-	1,147,481	315,938	270,335	105,514
50814	First American Title Insurance Co	CA	377,790	25,743,508	-	83,378	25,476,253	1,213,065	1,124,869	111,337
51527	First American Transportation Title	LA	41,535	-	-	2,347	35,742	-	-	-
50369	Investors Title Insurance Co	NC	-	-	-	-	5	-	-	-
50024	Lawyers Title Insurance Corp	VA	1,112,247	3,064,411	-	1,253,792	4,078,988	196,580	517,049	598,332
51101	Nations Title Insurance Of NY, Inc.	NY	-	-	-	-	-	1,088	10,205	9,117
50520	Old Republic National Title Insurance Co	MN	20,941	835,180	-	55,258	859,646	201,463	248,829	166,796
50784	Security Title Guarantee Corp Baltimore	MD	-	1,888,596	-	19,580	1,938,471	18,531	64,897	96,986
50857	Security Union Title Insurance Co	CA	-	32,556	-	-	45,064	29,468	1,541	65,071
50121	Stewart Title Guaranty Co	TX	(33,089)	2,860,417	1,754,728	109,728	4,571,616	110,579	106,050	86,726
50067	Ticor Title Insurance Co	CA	-	52,037	-	-	114,038	44,145	48,715	8,411
50245	Title Insurance Co Of America	TN	-	4,057	-	-	9,795	-	-	-
50012	Transnation Title Insurance Co	AZ	-	-	-	-	18,481	-	-	-
51624	United General Title Insurance Co	CO	-	987,795	-	-	983,066	94,769	88,678	85,552
Totals			1,521,992	52,942,098	3,610,417	1,468,715	57,110,236	2,878,494	3,414,742	2,027,924

Caution: The information contained on this page is unaudited and not a complete financial analysis nor is it an expression of opinion on any insurer. This page may contain inadvertent errors.  
Data Source: Title Annual Statement, Schedule T, for all companies writing business in Louisiana.

# APPENDIX G

## FRATERNAL INSURANCE

**FRATERNAL INSURERS EXHIBIT OF PREMIUMS & BENEFITS  
BUSINESS IN LOUISIANA AS OF DECEMBER 31, 2001**

				LIFE CERTIFICATES				TOTAL PAYMENTS RECEIVED FROM MEMBERS				TOTAL BENEFITS PAID TO MEMBERS			
				ISSUED		IN-FORCE		LIFE		A&H		LIFE		A&H	
NAIC#	COMPANY NAME	DOMICILE	No. Lodges	NUMBER	AMOUNT	NUMBER	AMOUNT	LIFE	A&H	LIFE	A&H	LIFE	A&H	LIFE	A&H
56529	ACA Assurance	NH	1	155	1,342,000	119	105,251	8,282	25	-	-	-	-	-	-
57223	Baptist Life Assn	NY	-	-	-	21	804,436	9,264	-	-	-	-	-	-	-
56017	Benevolent Knights Of Amer LA Inc	LA	-	5	15,000	319	366,129	3,318	-	25,250	-	25,250	-	-	-
56022	Catholic Family Life Ins	WI	-	-	-	22	130,036	317	-	6,887	-	6,887	-	-	-
56421	Catholic Knights Of Amer	MO	6	22	758,695	557	8,475,576	106,236	1936	46,408	571	46,408	571	-	-
57347	Catholic Life Ins	TX	1	79	3,181,677	827	41,826,828	379,342	-	445,863	-	445,863	-	-	-
57487	Catholic Order Of Foresters	IL	1	4	100,000	284	2,259,077	43,066	2,418	12,335	-	12,335	-	-	-
57088	Degree Of Honor Protective Assn	MN	-	-	-	5	9,137	116	-	-	-	-	-	-	-
56057	Equitable Reserve Assn	WI	-	-	-	28	175,076	1696	-	-	-	-	-	-	-
56340	First Cath Slovak Union Of US & CN	OH	-	1	3,000	1	3,000	-	-	-	-	-	-	-	-
56154	Gleaner Life Ins Society	MI	-	-	-	42	1,071,011	2,579	-	-	-	-	-	-	-
56685	Greater Beneficial Union Pittsburgh	PA	-	-	-	9	42,041	31915	-	4,922	-	4,922	-	-	-
57770	Holy Family Society Of The Usa	IL	1	101	417,000	1,162	3,524,278	213,453	162	95,165	-	95,165	-	-	-
58068	Independent Order Of Foresters Us Br	NY	2	99	918,000	3,058	116,113,097	900,671	8,668	577,839	5,774	577,839	5,774	-	-
57509	Independent Order Of Vikings	IL	-	-	-	1	529	-	-	-	-	-	-	-	-
58033	Knights Of Columbus	CT	298	1,559	72,102,606	4,1521	1,104,970,141	10,871,163	242,236	3,669,487	24,735	3,669,487	24,735	-	-
57835	Knights Of Peter Claver	AL	182	416	571,929	6,323	11,103,172	478,959	-	105,421	-	105,421	-	-	-
56758	Loyal Christian Benefit Assn	PA	-	-	-	16	56,865	5,487	-	10,681	-	10,681	-	-	-
5726	Lutheran Brotherhood	MN	7	35	4,973,123	1546	114,109,762	1,892,388	279,690	647,484	162,744	647,484	162,744	-	-
57991	Mennonite Mut Aid Assn	IN	-	-	-	7	172,500	2,254	6,165	64	6,506	64	6,506	-	-
57541	Modern Woodmen Of Amer	IL	71	2,208	100,030,088	18,132	630,064,418	7,580,519	327	3,885,813	-	3,885,813	-	-	-
57588	National Catholic Soc Of Foresters	IL	-	-	-	-	-	949	-	-	-	-	-	-	-
57576	National Fraternal Soc Of The Deaf	IL	2	5	230,000	149	803,907	6,332	58	257	-	257	-	-	-
56073	National Mut Benefit	WI	-	-	-	42	151,819	954	-	-	-	-	-	-	-
56383	Order United Comm'l Trav Of Amer	OH	7	1	5,000	161	3,023,866	70,568	346,785	26,884	240,498	26,884	240,498	-	-
58009	Police & Firemen's Ins Assn	IN	25	234	21,155,000	1,529	124,933,110	359,853	641,722	73,006	630,779	73,006	630,779	-	-
57622	Polish Nat'l Alliance Us Of Na	IL	-	38	240,952	189	982,986	2,477	-	10,430	-	10,430	-	-	-
5742	Sons Of Norway	MN	-	-	-	9	325,000	7,331	-	-	-	-	-	-	-
56014	Thrivent Financial For Lutherans	WI	46	261	24,442,198	4,835	287,286,796	3,794,165	377,702	2,978,065	142,007	2,978,065	142,007	-	-
56006	Travelers Protective Assn Of Amer	MO	4	21	-	583	-	-	6,332	-	8,052	-	8,052	-	-
56456	United States Ltr Carriers Mut Ben	TN	34	9	260,000	285	5,954,117	89,128	79,161	69,550	51,961	69,550	51,961	-	-
56413	United Transportation Union Ins Assn	OH	12	16	775,000	540	13,436,272	289,265	73,433	18,337	65,842	18,337	65,842	-	-
58017	Western Fraternal Life Assn	IA	2	1	10,000	243	4,491,397	252,15	-	2,000	-	2,000	-	-	-
57010	William Penn Assn	PA	-	-	-	23	12,435	749	-	-	-	-	-	-	-
56770	Womans Life Ins Society	MI	4	-	-	353	1,964,534	11,014	-	7,537	-	7,537	-	-	-
56499	Woodmen World Assur Life Assn	CO	1	36	129,125	63	590,736	31,035	171	-	-	-	-	-	-
57320	Woodmen World Life Ins Soc	NE	171	3,246	172,918,169	56,692	1,789,421,906	27,265,058	264,042	14,428,878	163,215	14,428,878	163,215	-	-
57290	Workmens Benefit Fund Of The USA	NY	-	-	-	4	5,143	104	-	-	-	-	-	-	-
56480	Wsa Fraternal Life	CO	-	-	-	1	53,015	159	-	-	-	-	-	-	-
<b>Totals</b>				<b>878</b>	<b>404,578,562</b>	<b>139,701</b>	<b>4,269,869,399</b>	<b>54,485,381</b>	<b>2,331,033</b>	<b>27,398,563</b>	<b>1,492,084</b>	<b>27,398,563</b>	<b>1,492,084</b>	-	-

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Data Source: Fraternal Annual Statement, Schedule T for all companies writing business in Louisiana.